

House Report No. 2493. Report on the disposition of certain papers by the Archivist by certain Federal agencies. Ordered to be printed.

Mr. ELLIOTT of California: Joint Committee on the Disposition of Executive Papers. House Report No. 2494. Report on the disposition of papers by the Archivist by certain Federal agencies. Ordered to be printed.

Mr. JARMAN: Committee on Printing. House Resolution 72. Resolution providing for the printing and binding of copies of a revision of Cannon's Procedure in the House of Representatives; without amendment (Rept. No. 2495). Referred to the House Calendar.

Mr. JARMAN: Committee on Printing. S. 2570. An act to provide for the sale by the Superintendent of Documents of copies of certain historical and naval documents printed by the Government Printing Office; without amendment (Rept. No. 2496). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EBERHARTER:

H. R. 7614. A bill to increase the annual base pay for female nurses of the Army and Navy; to the Committee on Military Affairs.

By Mr. DICKSTEIN:

H. R. 7615: A bill relating to the naturalization of persons not citizens who serve honorably in the military or naval forces of the United States during the present war; to the Committee on Immigration and Naturalization.

By Mr. BULWINKLE:

H. R. 7616. A bill for the organization and functions of the Public Health Service; to the Committee on Interstate and Foreign Commerce.

By Mr. PRIEST:

H. R. 7617. A bill to provide for universal service and total mobilization during any war in which the United States is now engaged; to the Committee on Military Affairs.

SENATE

WEDNESDAY, SEPTEMBER 30, 1942

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Reverend Charles B. Foelsch, D. D., Ph. D., pastor, Luther Place Memorial Church, Washington, D. C., offered the following prayer:

O Thou gracious Father of us all, in whom we live and move and have our being, Thou hast been the refuge and the dwelling place of Thy people in all generations. Before the mountains were brought forth or ever Thou hadst formed the earth and the world, even from everlasting to everlasting, Thou art God. To Thee the poor and the needy have always turned for help, and Thou hast ever graciously heard their prayers. And to whom shall we go but unto Thee, O God, for Thou hast the words of eternal life? There is no good gift that we can ask that Thou art unable to give, and hast promised to give and hast already given to countless others of Thy people, weak and sinful as are we. So we come, imploring Thy mercy upon us, Thy people, this day.

Let Thy benediction, we pray Thee, rest upon the President of the United

States and upon all his counselors. Be with this body in all its deliberations, that Thy name may be honored and Thy people blessed.

Be with those who are in sorrow this hour, with those who lie wounded upon the battlefield, and with the dying. Comfort them all with Thy presence, and send, we pray Thee, just victory to Thy people in Thy day, that the nations may dwell together in righteousness and peace.

Be pleased to forgive us our sins, for we come humbly into Thy presence. Let Thy favor be with us, that the liberties which Thou didst vouchsafe unto the fathers long ago may be preserved unto us and to our children and our children's children, and that Thy name may be honored and revered, world without end. In Jesus' name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, September 29, 1942, was dispensed with, and the Journal was approved.

SOCIAL SECURITY PAY-ROLL TAXES—NOTICE BY SENATOR VANDENBERG

Mr. VANDENBERG. Mr. President, yesterday I announced that I intended today to discuss some of the many idiosyncrasies of the distinguished Secretary of the Treasury, Mr. Morgenthau. Because I do not wish to interfere with the speediest possible passage of the bill, I am now announcing that I am postponing the inquest until tomorrow.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AID TO RUBBER CONSERVATION BY PROHIBITION OF SPEEDING

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to aid in the conservation of rubber by the prohibition of speeding (with an accompanying paper); to the Committee on the District of Columbia.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of the Departments of War, Justice (2), and Interior; the Securities and Exchange Commission, National Housing Agency (4), and the National Archives, which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking toward their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCARRAN, from the Committee on the District of Columbia:

S. 2804. A bill to define the real property exempt from taxation in the District of Columbia; with amendments.

By Mr. MALONEY, from the Committee on Commerce:

S. 2762. A bill to except from the provisions of section 3709 of the Revised Statutes pur-

chases or services rendered for the Department of Commerce where the amount involved does not exceed \$100; without amendment (Rept. No. 1626).

By Mr. OVERTON, from the Committee on Commerce:

S. 2623. A bill authorizing the construction of certain public works in the basin of the Connecticut River for flood control; without amendment (Rept. No. 1627).

ADDITIONAL COPIES OF FINAL REPORT AND RECOMMENDATIONS OF TEMPORARY NATIONAL ECONOMIC COMMITTEE

Mr. HAYDEN, from the Committee on Printing, reported an original resolution (S. Res. 296), which was considered by unanimous consent and agreed to, as follows:

Resolved, That 1,000 additional copies of Senate Document No. 35, Seventy-seventh Congress, first session, being the final report and recommendations of the Temporary National Economic Committee with respect to the concentration of economic power in, and financial control over, production and distribution of goods and services, be printed for the use of the Senate document room.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills and joint resolution:

On September 25, 1942:

S. 2670. An act to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing State and Territorial military forces with such arms, ammunition, clothing, and equipment as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and for other purposes.

On September 28, 1942.

S. 2725. An act to increase by \$600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended; and

S. J. Res. 129. Joint resolution to remove certain limitations on the cost of construction of Army and Navy living quarters.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 2812. A bill for the relief of Mrs. Hugh Swifshaw; to the Committee on Pensions.

By Mr. DAVIS:

S. 2813. A bill to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment on the claim of the General State Authority of the Commonwealth of Pennsylvania; to the Committee on Claims.

By Mr. WALSH (for himself and Mr. CLARK of Missouri):

S. 2814. A bill to provide for vocational rehabilitation and the return to civil employment of certain persons disabled under circumstances entitling them after discharge or separation from the military or naval forces of the United States to a pension or retirement pay; to the Committee on Finance.

CENSORSHIP

Mr. HOLMAN. Mr. President, of the "four freedoms" which we are waging a war all over the world to establish in every place of the world and of which we are becoming bereft at home, none is

more important than the freedom of the press.

I request unanimous consent to have printed in the CONGRESSIONAL RECORD as a part of my remarks an editorial on the subject of censorship, which was published last Monday, September 28, in the Christian Science Monitor.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of September 28, 1942]

INTIMATE MESSAGE: WASHINGTON—TROUBLE IN THE MAKING

(By Roscoe Drummond)

The Government is headed for trouble in the borderline application of the already exacting censorship. Washington newspaper and radio correspondents are virtually unanimous in believing that censorship has recently been going too far afield and are yet to be convinced that there are not purposes other than military security behind it.

This is not merely a professional dispute between the press, which might tend to err on the side of publication, and the Government's war agencies, which might tend to err on the side of suppression. There is dissent in high official quarters from the creeping extension of censorship regulations and the issue is certain to be out in the open shortly.

It is censorship itself which prevents the full impact of this disagreement from coming to the surface immediately, but it will not be long delayed. It is only fair to add that it is not the Office of Censorship as such which is responsible for the new borderline restrictions which have lately been imposed. Byron Price, Director of Censorship, must administer these restrictions, but they stem from other sources in the Government.

ISSUE IS DIFFERENCE OF JUDGMENT

The issue as it is at present coming to focus concerns a profound difference of judgment as to what information endangers the security of the United States and whether military censorship is being used to conceal nonmilitary purposes.

The outcome can hardly fail to be of large importance. It will likely determine whether the coming months are going to see less censorship of internal news not directly affecting war operations or more rigorous and sweeping censorship.

It happens that the immediate issue does not at all affect the withholding of military news by the armed services. It concerns developments which can have political significance as well as a relationship to certain of the domestic phases of the war effort. It is for this reason that many view it as an unnecessary, unwise, and unreasonable application of the press code, and it can be said that it is so viewed by some officials high in the Government.

The story will ultimately come out and will probably not be long in coming out, and if there is not real assurance from the administration that it will not happen again, there is reason to believe that the whole system of voluntary press censorship is in peril—a loss which would be harmful to the Government and harmful to the press.

Involved in this borderline extension of censorship is the denial to independent correspondents of first-hand access, to news facts of an ultimately nonsecret character which later the Government is going to distill and give out as it sees fit. If this kind of censorship is not repudiated by the official responsible for it, there will likely be courageous and independent newspapers which will repudiate it for themselves and will refuse to be bound by such an application of the voluntary code.

POSSIBLE ENDING OF VOLUNTARY CENSORSHIP

This, quite frankly, could mean the end of voluntary censorship and the imposition of compulsory military censorship. At least there are officials in the Government who believe it would and who hold it as a threat over the heads of correspondents to make sure they are good boys and don't kick over the traces.

It is agreed that if the press comes to the point where it feels it has got to decide when it will and when it will not accept concrete applications of the voluntary code, the code is then skating on very thin ice and may go under any minute.

But have those Government officials who talk about the alternative of compulsory censorship a real threat, or only a hollow threat?

There can be no all-in compulsory censorship of the press and radio unless it is voted by Congress; and while, admittedly, Congress has not overpowering affection for the press, it cannot vote to enable the Government to censor the press unless it thereby votes to enable the Government to censor Congress. Obviously, if the Government acquires a compulsory censorship, it will possess the power to determine exactly what the press and radio shall and shall not report and broadcast from Congress.

Under the prevailing voluntary censorship, any Member of Congress is an appropriate authority—and therefore a printable authority—for anything he wishes to say. Under compulsory censorship—if Congress chose to enact it—some executive official in the Government would be empowered to censor any statement from any Congressman which he decided the press or radio should not report. Compulsory censorship could work on no other basis.

There is political dynamite in compulsory censorship, and it is not likely that the newspapers will be impressed by talk of its prospect. The new Grand Old Party platform, drawn up last week by 135 House Republicans, cited the need for an informed public opinion as the only basis of national unity and warns of unnecessary censorship.

The administration will more likely retrace its steps than stub its toe on compulsory censorship.

FARMERS' EDUCATIONAL COOPERATIVE UNION

Mr. LANGER. Mr. President, last Friday while the farm bill was under discussion, I took occasion to defend the Farmers' Educational Cooperative Union of America against what I consider to be unfair, untrue, unwarranted, and contemptible slander. I refer to the whisperings around the cloakroom and upon the floor of the Senate that, because of the report made by Congressman Dies on the various foundations established by the late Robert Marshall, the Farmers' Educational Cooperative of America was Communistic.

Mr. President, I am unusually happy to state that I have received a telegram from the North Dakota Farmers' Union through its president, Glenn J. Talbott, of Jamestown, N. Dak., corroborating every statement I made concerning the Farmers' Union. This telegram is so straightforward, so delightfully frank in an age when it has even been charged upon this floor that one of the measures we are considering is "a mere jumble of words," that I desire to read this telegram in full. It is as follows:

JAMESTOWN, N. DAK., September 30, 1942.
HON. WILLIAM LANGER:

I sincerely appreciate your statement on the Senate floor yesterday wherein you de-

fended the Farmers' Educational and Cooperative Union of America against the unfair and untrue allegations of Congressman Dies that the Farmers' Union has been subsidized by the Communist Party. The Farmers' Union has at no time had any relations, financial or otherwise with the Communist Party. The terms of the various foundations established by the late Robert Marshall are matters of public knowledge. I hope that the fight being made by the Farmers' Union on behalf of working farmers may merit the continued confidence and support of the Foundation's board of trustees. You mentioned that Dies had evidently used Gardner Jackson, who is a trustee of the Marshall Foundation as the link to connect the National Farmers' Union with the Communist Party. While Gardner Jackson has been accused by Dies as having some relations with the Communist Party, so also were some eleven hundred other employees of the Federal Government. I understand the Department of Justice was unable after exhaustive investigation to substantiate Mr. Dies' purported evidence or his conclusions in more than two or three instances. I have known Gardner Jackson intimately for many years and I had as soon believe you a Communist as he. Mr. Jackson is employed in the United States Department of Agriculture. He is well and favorably known to the Honorable Paul Appleby, Under Secretary of Agriculture, the Honorable Claude Wickard, Secretary of Agriculture, and is a personal friend of the President. Mr. Dies' accusations against the Farmers' Union and outstanding citizens of the caliber of Gardner Jackson have no foundation in fact and I deplore and deeply regret such accusations and insinuations, the effect of which can only be designed to weaken or destroy our organization's effectiveness in support of the President's program for all-out war. Your brief mention of Gardner Jackson's name impels me to ask you to place this telegram in the CONGRESSIONAL RECORD.

Sincerely yours,

NORTH DAKOTA FARMERS' UNION,
GLENN J. TALBOTT, President.

Mr. President, may I say in closing that, unfortunately, I have never had the pleasure or honor of meeting Gardner Jackson personally, but I am living in the hope that our paths may soon cross, and I know that when a fine, splendid, outstanding farm leader such as Glenn J. Talbott says such fine things about another man as he has about Gardner Jackson that Mr. Jackson must not only be an outstanding American citizen, as he says, but a thoroughly capable, 100-percent efficient, honorable man, and I welcome to an unusually high degree this opportunity not to defend him, for he needs no defense, but to place this statement of his character and capabilities as expressed by the Honorable Glenn J. Talbott into the RECORD.

ADDRESS BY SENATOR LUCAS TO THE MASSACHUSETTS DEMOCRATIC CONVENTION

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address delivered by Senator LUCAS in Boston on September 26, 1942, before the Democratic Convention of Massachusetts, which appears in the Appendix.]

DRAFT OF 18- AND 19-YEAR-OLD MEN—STATEMENT BY SENATOR BURTON

[Mr. BURTON asked and obtained leave to have printed in the RECORD a statement made by him over the radio September 20, 1942, relative to the drafting of 18- and 19-year-old men, which appears in the Appendix.]

ADDRESS BY SENATOR BROOKS TO YOUNG REPUBLICAN ORGANIZATION OF ILLINOIS

[Mr. BROOKS asked and obtained leave to have printed in the RECORD an address delivered by him in Peoria, Ill., on September 27, 1942, at the annual convention of the Young Republican Organization of Illinois, which appears in the Appendix.]

ADDRESS BY SENATOR BROOKS TO THE FEDERATION OF ILLINOIS WOMEN'S REPUBLICAN CLUBS

[Mr. BROOKS asked and obtained leave to have printed in the RECORD an address delivered by him in Washington on September 28, 1942, and broadcast over the radio to the annual convention of the Federation of Illinois Women's Republican Clubs, held at the Abraham Lincoln Hotel, Springfield, Ill., which appears in the Appendix.]

ADDRESS BY LOUIS JOHNSON BEFORE AMERICAN LEGION CONVENTION

[Mr. ROSIER asked and obtained leave to have printed in the RECORD the address delivered by Hon. Louis Johnson before the National Convention of the American Legion at Kansas City, Mo., on September 19, 1942, which appears in the Appendix.]

FOOD SHORTAGES—TELEGRAM FROM ROBERT A. HUDSON

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD a telegram relative to food shortages, addressed to him by Robert A. Hudson, of Portland, Oreg., which appears in the Appendix.]

CONGRESS AND PRICE CONTROL—ARTI- CLE BY GEORGE ROTHWELL BROWN

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an article by George Rothwell Brown published in the Baltimore News Post of September 29, 1942, which appears in the Appendix.]

THE SILVER POLICY—ARTICLE FROM BOSTON (MASS.) POST

[Mr. MALONEY asked and obtained leave to have printed in the RECORD an article with reference to the national silver policy, written by Robert L. Norton and published in the Boston Post of September 20, 1942, which appears in the Appendix.]

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Danaher	Lucas
Andrews	Davis	McCarran
Austin	Downey	McFarland
Bailey	Doxey	McKellar
Ball	Ellender	McNary
Bankhead	George	Maloney
Barbour	Gerry	Maybank
Barkley	Gillette	Mead
Bilbo	Green	Millikin
Bone	Guffey	Murdock
Brewster	Gurney	Murray
Brooks	Hatch	Norris
Brown	Hayden	Nye
Bunker	Herring	O'Daniel
Burton	Hill	O'Mahoney
Butler	Holman	Overton
Capper	Johnson, Calif.	Pepper
Caraway	Johnson, Colo.	Radcliffe
Chandler	Kilgore	Reed
Chavez	La Follette	Reynolds
Clark, Idaho	Langer	Rosier
Clark, Mo.	Lee	Russell
Connally	Lodge	Schwartz

Shipstead	Thomas, Okla.	Wagner
Smathers	Thomas, Utah	Wallgren
Smith	Tobey	Walsh
Spencer	Tunnell	Wheeler
Stewart	Tydings	White
Taft	Vandenberg	Wiley
Thomas, Idaho	Van Nuys	Willis

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW] and the junior Senator from Virginia [Mr. BYRD] are necessarily detained.

The Senator from Missouri [Mr. TRUMAN] has been called to his State on important public business, and is therefore necessarily absent.

The PRESIDING OFFICER (Mr. WALLGREN in the chair). Ninety Senators having answered to their names, a quorum is present.

Under the unanimous consent agreement, the junior Senator from California [Mr. DOWNEY] is recognized.

(Mr. DOWNEY resumed and concluded the speech begun by him yesterday. His speech, entire, is as follows:)

Tuesday, September 29, 1942

Mr. DOWNEY. Mr. President, it is with extreme reluctance that I rise again to address the Senate upon the pending proposal. I do so only out of a sense of the urgent need of this Nation and, particularly, as far as I am concerned, of the farmers of California.

Today as we are debating tens of thousands of farmers in California are contemplating if they should abandon their farms for more profitable and more pleasant work. Indeed, thousands of farmers have already done so. Either rightly or wrongly, the attitude represented by the administration has led our farmers to believe that the administration is unsympathetic with them, and does not comprehend their problems.

I have for the President of the United States, for our majority leader [Mr. BARKLEY], and for the Senator from Michigan [Mr. BROWN], who has the pending joint resolution in charge, only the highest respect and admiration, but I say that their arguments and their statements of fact have not always been realistic and candid, and, briefly as I can, I desire to point out facts which have heretofore been emphasized, but, nevertheless, I shall repeat them to sustain the statement I have just made.

When the Chief Executive called for the immense war program which is now under way, it should have been apparent to him and to every one of his executives that if that program were attempted, this very day would be at hand. Why do I say that? Let us consider a few basic figures.

The President of the United States demanded for this fiscal year a military production equivalent in money to \$75,000,000,000. That \$75,000,000,000 represented far more than the average national income for the last decade. It meant two and a half times the ability of the German nation to produce war goods and services, for their productive power

for military purposes is rated at only \$30,000,000,000. Indeed, Mr. President, we have embarked now upon a program under which we are committed to producing more war goods and services than all the rest of the world combined.

We seem in some way to lack realism, we seem to lack understanding of figures, for, while our Chief Executive was calling for that immense effort, our Army was dreaming and our Navy was hoping to build up armed forces of ten or fifteen million men, and our farmers were called upon for the labor and sacrifice which would increase the yield of our fertile acres by from 20 to 25 percent.

I ask, Mr. President, What was the error made by Mr. Henderson in his advice to the President of the United States, and where did he fail realistically to understand the inflation problem? Mr. Henderson honestly and sincerely believed that he could generally freeze wages, salaries, and prices all along the line. That sounds rational and reasonable, and it was the policy upon which Mr. Henderson embarked. It was, in effect, the demand which was made by the President upon our farmers.

Where is the error of that reasoning, and where will it lead us to if it is persisted in? I say, Mr. President, it will lead us almost into a semirevolution. Why? Because the kind of production we are hoping for meant that every person in the Nation who could work would have to work hard, faithfully, diligently. It meant that the great groups of people who were pauperized and degraded, in comparison with the other segments of the population, would be compelled to labor at that same low level, far below the national standard.

Our distinguished majority leader today told us about working for 50 cents a day on a southern farm, and that his wage was finally raised to a dollar a day. "Yes," said our distinguished leader, "the lot of the farm worker and many of the farmers is the most unfortunate in the Nation. But," said he, "we cannot hope to now improve their condition. We dare not raise the price to the farmer so that he and his hired hand can be brought into parity with the rest of the Nation, because, if we do that, the workers of the Nation will want higher wages and the upward spiral will have begun its destructive work."

Mr. President, human nature will not be changed by the ipse dixit of the President or of Mr. Henderson. Farm laborers and small farmers cannot be forced to work on farms at one-half the compensation they can obtain by leaving the farms or farm jobs. It simply cannot be done; it will not be done; and unless the administration in Washington recognizes the vital problem of again redistributing among the farm population a return sufficient to bring them somewhere near the level enjoyed by others we shall have a complete collapse in the production of farm crops.

Mr. President, our distinguished leader gave us some figures showing the great increase in the gross amount received by farmers in 1942 as compared with 1939.

But he did not tell us that a substantial portion of that increase came from increased production resulting from farmers working 12, 13, 14, and 15 hours a day. It is true the farm bill for hired labor has not increased very much because the farmers and their wives and daughters have worked almost beyond endurance to increase the farm production of the Nation to such a point that the Secretary of Agriculture has characterized the result a miracle. I would say of the farmers of California that they deserve the tribute and blessing of our people because by diligence, work, ability, and toil they have increased our farm production in 1 year perhaps 25 percent. So, Mr. President, the majority leader, after reciting the gross income of our farmers as of today, left us with the implication of their well-being.

Mr. President, let us candidly and fairly see how well off are the farmers of America.

(At this point Mr. Downey yielded to Mr. Thomas of Oklahoma; debate ensued, the absence of a quorum was suggested, and the roll was called, following which further debate ensued.)

Mr. DOWNEY. Mr. President, when I yielded for the quorum call, I was about to suggest certain figures which are known to all Senators, and which to my mind show that the fundamental problem is far greater than we are yet admitting. The figures for 1942 indicate that the income per person on the farm from agriculture is just 36 percent of the income per person not on the farm. The distinguished Senator from Oklahoma stated the proposition in another way, that is, that the 22 percent of our people on the farms have only 10 percent of the national income.

I ask you, Mr. President, can the ipse dixit of any man, or the command of any military chief, make it possible for us to force a farmer to stay upon his farm and work, or the farm worker to work for him, when over the hill they can get two or three times as much as they would receive upon the farm?

(At this point Mr. Downey yielded to Mr. Hatch, who offered a modified amendment to the amendment of Mr. Barkley.)

Mr. DOWNEY. Mr. President, I should like to place in the Record the figures for 1941 and 1942.

Mr. President, with these basic figures and theories in mind, I went to California a month ago to see what conditions were as of that date—not to guess what is going to happen next year, but to learn what is happening right now.

Because our farmers have not been able to pay a sufficient wage to farm workers in California we shall lose 20 or 30 percent of our farm crops this year. Today we are attempting to harvest our sugar beets and tomatoes. Tens of thousands of acres of those crops are lying, and will continue to lie, unused on the ground, because our farmers cannot afford to pay the wages demanded by workers to harvest those crops. I prophesy that if the word does not go out to the farmers of California that their problems are to be understood, that their labor is to be provided for, and that they are to be allowed for their crops a price with which they

can obtain labor in competition with industry, our farm production in California will fall to not more than 50 percent of what it is today.

Mr. President, when our Chief Executive delivered his now very famous address attributing inflation to the increase in farm prices and the failure of Congress to act, I talked with scores of farmers and farm leaders in the State of California. Let me cite one typical case, which could be multiplied by the tens of thousands.

I cite the case of a chicken farmer who had had two sons assisting him on the farm. The labor of three men was required. His sons were drafted into the Army. His daughter left a job as a typist, and with his wife assisted him. By working 15 or 16 hours a day, those three were able to operate that chicken ranch.

When there came from Washington statements and suggestions apparently blaming the farmer for inflation and apparently saying that farm labor should not be considered as a factor in the computation of parity prices, the chicken farmer to whom I have referred decided to leave his farm. Why? Because working as a carpenter, by himself, he could make more money than he could make by running his chicken ranch, and if he continues to run his chicken ranch he has no assurance that next year he will be able to obtain the supplies he will need in order to maintain his business.

Mr. President, we in Washington are so far divorced from the realities of life that we do not even know what is going on. The truth is that it has only been with the greatest hardships and difficulties that the farmers have managed their business this year. Our military leaders expect to build up our armed forces from four or five million men to ten or eleven million men. During the next year we expect to absorb ten or twelve million more workers in war industry. With these facts circulating among the farmers of the Nation, crops are not going to be planted, farms will be abandoned.

I admit to the same sense of horror of inflation possessed by anyone else. I know the amount of real wealth in this country is limited. But I, for one, am not willing to act upon any policy in the Senate which does not indicate an intention to bring a higher degree of prosperity and well-being to the farmers of the United States. I say, Mr. President, even though there is a desire to freeze them in their present subnormal standards, it cannot be done; it is not possible to make a man work on the farm for \$2 or \$3 a day when he can get \$6 or \$8 somewhere else.

I am free to admit that the substitute proposed by the Senator from Kentucky would very possibly bring the same result the Thomas amendment would bring. I have heard that statement made by the distinguished Senator from Nebraska, if I understood him, and I heard him say that since our amendment and the administration substitute would produce about the same results democratic principles would best be served by having Congress give way to the Chief Executive.

The Constitution of the United States provides that the legislative power shall be vested in Congress. If any Senator believes that the President should entirely usurp the legislative field, should entirely negate the provisions of our Constitution, then that Senator should believe that we should give way. But I cannot agree with such a contention. The President of the United States called upon Congress to legislate upon the subject we are now considering. Now we have adopted the Thomas amendment; and I say that 90 percent of the membership of the House of Representatives and 90 percent of the Senators believe that what we have done is right. Ninety percent of the Senate, if they were not under the whip and spur of editorial writers and commentators, if they were not under the insistence and persuasion of the Chief Executive, would overnight have passed the pending joint resolution providing for the inclusion of labor in computing farm prices. I am not one who is willing to repudiate a legislative proposal I know to be right.

Mr. President, if I believed that the President of the United States had suggested to the Senate a more just and a better proposal, I would be the first to swing to that proposal. But I fail to see how any Senator can believe that we can preserve democracy by setting aside an amendment in which we ourselves believe to accept a substitute because it is wanted by the President.

(At this point Mr. Downey yielded to Mr. Hatch, who suggested the absence of a quorum, and the roll was called, following which debate ensued, and Mr. Downey yielded the floor for the day.)

Wednesday, September 30, 1942

Mr. DOWNEY. Mr. President, it is my anxious hope that the matter before us will soon be brought to a conclusion, under conditions satisfactory both to the executive and to the legislative branch of the Government, and under terms which will be most wise and advantageous to national defense.

Even though that shall be accomplished, however, very real, perhaps almost desperate, issues are involved in the argument. I make that statement particularly with regard to the western section of the country, where conditions are particularly known to me, because whatever allowance may be made by the pending measure for labor charges for the farmers, it will be most difficult and perhaps impossible, for us in California, at least, to secure the farmers and the farm laborers next year necessary to produce our crops.

As of today, conditions are demoralized and chaotic in the farm-labor picture. I have been led to believe, by what I have heard, and read in the press, that our War Production Board is planning a program which will by the middle of next year utilize 10,000,000 more workers than we are now utilizing, and that our military leaders will be drawing upon the youth of the Nation for five or six million more recruits than they now have.

Mr. President, if those two propositions be true—and I think they probably are—

I wish to say that there is only one solution for the labor problem of the West, and that is the importation of many, many thousands of Mexican workers. It was apparent on January 1 of this year that a well-planned and generous program of bringing Mexican farm workers into California and into the West should have been embarked upon. I have no desire to indulge in recrimination or in criticism, but I must say from a knowledge of several months that the program to bring Mexican laborers to America has been dealt with in such an insufficient way that it has almost totally failed, and it is my hope and wish that the governmental leaders in Washington will finally begin to realize that we are face to face with a manpower problem in the West which may become so destructive of farm production and of farm labor that the entire farm program of the West will be placed in jeopardy.

Mr. President, I also desire briefly to speak upon the labor conditions in the South. The Nation has so worked out its economic affairs that the southern cotton proprietor has never been able to pay a decent or living wage to the cotton worker, nor has the cotton tenant farmer been able to make a decent livelihood. The Bureau of Agricultural Economics, Mr. President, reports that it takes 1 hour of labor to produce a pound of cotton, and when cotton is selling at 12 or 15 cents a pound it manifestly becomes impossible to pay a fair price to the owners of cotton land in the South or a sufficient wage to the workers in the cotton fields. So I say, Mr. President, that, in my opinion, the balance of the Nation should alter its policy with respect to the prices the South is entitled to for cotton, because now, with the almost unlimited demand for manpower in the Army and in industry, the proprietors of cotton lands in the South will not be able to produce their crops unless they can find the means of paying a much more generous and subsistence wage or income than they have ever paid to the workers in the cotton fields.

Mr. President, we are exceedingly non-realistic in many ways. It is now being widely publicized, even by some of our military and economic and labor leaders, that we should draw upon that great reservoir of youth between 18 and 20 years of age, and we are told happily and optimistically and very inaccurately that we have here a reservoir of 2,500,000 young men. Yes, Mr. President, we have that many young men between 18 and 20, but when we question our governmental leaders as to how many of them will be available for military services or for war industrial purposes they seem not to have the information. The truth, Mr. President, is this. Many hundreds of thousands of those young men between 18 and 20 are already in the Army or the Navy or the flying service. Many, many hundreds of thousands more are now in defense industries or performing vital farm services.

Mr. President, I know of one high school in California which graduated its class last June. Every boy that graduated from that high-school class is now

either in the military service of the Nation, preparing for military service, or working at some essential occupation. In that high-school class not one boy between 18 and 20 years of age would be available now for addition to our military services or to our war industry.

Mr. President, the great fault with our program has been optimism and lack of realism. Let us pray that Mr. McNutt's statement that farmers must be given higher prices and farm workers higher wages in order to maintain production, is the beginning of a greater amount of illumination upon this subject.

Mr. President, I am willing to proceed with any idealistic leader who wants to bring the four freedoms to the four corners of the world, but I must admit that I have a greater desire to bring those four freedoms to the four corners of the United States. And so, I would intensely like to see the rest of the Nation finally admit and recognize the imperative need of the South for a decent price for its cotton crop.

Mr. President, the South has not yet recovered from the violence of reconstruction, nor from the high tariffs imposed by the North, nor from the loss of its income from assisting in payments of pensions to northern veterans. I do not believe there can ever be a recovery in the South until we, who do not live there, admit the necessity of paying a far more substantial sum for cotton products than we now are paying.

Mr. STEWART. Mr. President—
The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Tennessee?

Mr. DOWNEY. I yield.
Mr. STEWART. Has the Senator from California made a study of the freight-rate question, particularly with reference to the higher freight rates being paid in Southern States on manufactured articles than are paid by other portions of the country, especially the industrial East?

Mr. DOWNEY. Mr. President, I have not made a particular study of transportation rates between the South and our northern markets. I know the distinguished Senator from Tennessee has done so, and I know the position he has taken—that in those excessive rates lies one of the serious burdens that prevents the economy of the South from properly functioning. I hope he will be enabled to carry on his fight to a successful conclusion; and I can assure him that in that fight he will have my humble support.

Mr. President, when I was speaking last evening I must admit that I was vehement and impatient in my language and in my attitude, and in concluding my remarks today I want to apologize to our majority leader and to the distinguished Senator from Michigan [Mr. Brown], who has the joint resolution in hand, for any extreme or impatient language. I have for the distinguished majority leader not only the deepest affection but the very highest admiration. I think he is called upon to perform duties which are almost impossible of performance and heavy almost beyond the strength

of any man to carry. I think he handles his duties as very few other men in the United States could handle them.

For the distinguished Senator from Michigan [Mr. Brown] I only say what all the Senate knows, that he is continually growing in stature and in prestige in the Senate of the United States; that his character, his ability, his energy, his tolerance, and his kindness make him a valuable servant of our people who, let us hope and pray, will let him remain for a long time in the Senate of the United States.

Mr. President, I desire now, very briefly, to advert to one entirely independent subject, and then I shall have concluded. Whatever may be the position assumed by any of us upon the pending joint resolution, whether we believe the Chief Executive and Mr. Henderson are in the right, or those of us who oppose them are in the right, every loyal and patriotic American could almost weep as in this day of stress and strain and strife we see this lack of unity in the Congress of the United States and between the Chief Executive and the Congress of the United States.

I care not, Mr. President, where the blame is assessed for this unhappy controversy. It is a most unfortunate thing that at the end of 150 years of constitutional government we are confronted with a situation of this kind, so lamentable and so unfortunate. It is inconceivable that under the British constitutional system any such situation as this could have arisen. It is my belief that the Senate of the United States should concern itself with a review of its practices and its processes to see whether greater efficiency cannot be developed here in the Senate and greater cooperation, unity, and cohesion between the executive and legislative branches of the Nation.

Mr. President, when our Constitution was adopted more than 150 years ago the political philosophers and writers of that time, and the men who sat in the Constitutional Convention, were determined to maintain by the Constitution the legislative, executive, and judicial departments, free and independent of each other. At that time fear was expressed that there might be encroachment by one department on the powers and prerogatives of another department; but almost every one apprehended that it would be Congress which would usurp or attempt to usurp the functions of the executive, rather than the executive attempting to usurp the functions of the Congress.

It would have been impossible for the men who wrote our Constitution to have realized that we should come to a day when the Chief Executive would try to compel the Congress to pass the kind of farm legislation which the Executive wanted. That would not have been conceivable to them. The men who founded this Nation meant to place in the hands of the Senate and the House of Representatives the power to initiate and propose legislation as well as the power to enact it.

Mr. President, we have come far from those days. I am not criticizing our

President because he takes the initiative on legislative proposals; but I am lamenting that in this dire and desperate hour there is a lack of cooperation and cohesion between the President and the Congress.

Since I have been in the United States Senate I have come to know a body of men who, in my opinion, for collective knowledge and wisdom on farm issues, at least, are superior to any other body of men in Washington. In many respects Senators are experts in or are well versed in almost every social, economic, or political question which may come before us. Nevertheless, it is very seldom indeed that a Senator finds it possible to utilize his wisdom and knowledge in making the laws of his country. Things are happening weekly which are almost incredible when we think about them.

Recently Mr. Baruch submitted a rubber report. I am a great admirer of Mr. Baruch. Two or three years ago I hoped that the President might appoint him to deal with the rubber problem and other problems. I think he has been one of the outstanding men of vision in the Nation. Nothing I am about to say is in criticism of Mr. Baruch, because for years at a time Mr. Baruch was far ahead of everybody else in the Nation on the subject of strategic war materials.

But, Mr. President, think of this absurd situation: The first part of this year or the last part of last year a resolution was introduced in the Senate for the investigation of the rubber problem. The resolution was referred to the Truman committee. The Truman committee carried on one of the ablest and most exhaustive investigations of which I have known. Able experts testified. Thousands of dollars were spent. Senators, after long thought and mediation, wrote one of the finest reports I have read. I am free to say that because I had nothing to do with it. To read that report is to read a masterpiece. I do not know whether the President of the United States ever even knew anything about it. I do not know whether he ever read it. However, months passed, and he appointed Mr. Baruch to make an investigation. Many months after the Truman committee brought in its report, Mr. Baruch submitted his, parallel in its findings and recommendations with what the Senate committee had recommended.

In other words, a committee of this body, after months of investigation, had made its report, which was entirely ignored by the Chief Executive. Later another report, almost identical in its findings, was acted upon by the Chief Executive. Is there any sense in that? Is there any reason in it? Have not governmental unity and efficiency reached a low ebb when that sort of thing can happen?

Take another incident in connection with rubber. Last spring distinguished Senators from farm States became appalled of the fact that synthetic rubber could be manufactured more rapidly from grain alcohol than from a petroleum base. For months they tried to get the ear of somebody who would act. They were unsuccessful. Finally the grain alcohol synthetic rubber bill passed

by the Senate was vetoed by the President of the United States. It was vetoed upon the ground that the program for petroleum synthetic rubber had gone too far.

No one denies that the distinguished Senator from Nebraska [Mr. NORRIS] and the distinguished Senator from Iowa [Mr. GILLETTE] had been right months and months ago. Senators who are members of the Military Affairs Committee know that we had resolutions before us dealing with rubber and conducted hearings 2 or 3 years ago.

I have no desire to go over that story. It is written in the CONGRESSIONAL RECORD and in the minutes of our committee. What does it show? It shows that with respect to strategic war materials, at least, the Military Affairs Committee and the Senate were far, far ahead of the Executive and the Army and Navy, as events have revealed; but that due to this unhappy situation nothing which Congress wanted registered itself.

Yesterday the distinguished senior Senator from Wisconsin [Mr. LA FOLLETTE] expressed fear of fascism. I do not know whether that fear is well justified or not; but I do know that legislative government is in jeopardy. I know that many more struggles such as this may mean the end of the congressional prestige and representative government. What that would mean I do not know; but it is a problem which must be dealt with.

Mr. President, I have said that under the British system this situation would have been impossible. Why? Because in England the Prime Minister, who occupies a place in the British Government corresponding to that occupied by our President, is chosen by the King—from among whom? Not from among anybody. The King chooses one man. He chooses the majority leader in the House of Commons. How does the Prime Minister make up his cabinet? Every member of that cabinet must come from the House of Commons or the House of Lords. How are the 50 important officials appointed under the British constitutional system? Every one of them must come from one branch or the other of their legislative body.

So in England this situation could not conceivably arise. It would be incredible. The core of the British Government, executive and legislative, is the British Cabinet; and the heart of the British Cabinet is the Prime Minister, who is not only the leader of his party but likewise the dominant executive of the nation, who serves with men chosen by him from the legislative body.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. CHANDLER. I do not like to interrupt my friend, but we have frequently heard insistence on the part of Members of the House or of the Senate that they have to themselves their constitutional powers and duties, which should be unimpeded, uninterrupted, and not encroached upon by the Chief Executive. Perhaps some of our trouble arises from the desire of our three coordinate branches of government to be independ-

ent, each in its own right, having nothing to do with the others, especially if it means the sacrifice of any prestige.

I agree with what my friend has said. In the Military Affairs Committee it was definitely shown that unless something were done we should have a rubber shortage. However, there is no showing that the President ever received that information. It was probably filed with the clerk of the committee. There is no definite showing that the President ever received it. Also, we were told by another arm of the Government that nobody could cut off our rubber supply; that we were so strong that we could blast out of the ocean in a very short time anybody who might undertake to do so. So nothing was done. We lose something when we fail to realize that this is one Government, and this is one world, and that we had better occasionally give up some prestige in the interest of common harmony and in the interest of having all branches of the Government work together.

What does my friend think of that suggestion?

Mr. DOWNEY. I very much applaud the suggestion of the distinguished Senator from Kentucky and thank him for it.

Mr. President, I have now occupied almost the full time which I agreed to occupy, and I want only to call to the attention of the Senate the fact that one day last week I submitted a resolution calling for an investigation. The resolution was referred to the Committee on Military Affairs. I desire to read the first paragraph of the resolution:

Resolved, That the Committee on Military Affairs, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation and study with a view to determining the best and most effective means of creating greater unity and cooperation between the Congress and the executive branch of the Government in order to aid in the prosecution of the war.

Mr. President, one further thought and I am through. The President of the United States declared in his recent message that if Congress did not do what he desired he would summarily issue an order making effective the rule he wanted. The President said to the American people, "I am merely taking this legislative power during this emergency; and whenever this emergency passes I shall give it back to the people to whom it belongs."

Mr. President, we are not in a crisis or in a chaos for only 1, 2, or 3 years. Probably we have entered decades of wars and revolutionary movements in which the existence and the vitality of democracy will be tested to their utmost limits. Any promise that powers now seized will be given back within 2 or 3 years is a meaningless promise. This crisis will last for years. Pray God, Mr. President, that the Congress of the United States will maintain and keep inviolate its rights as a free and independent branch of this Government, to the end that not only may we struggle for the four freedoms throughout the world but that we may not lose them in the Congress of the United States and

in the 48 empires which make up this great Republic.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from New Mexico [Mr. HATCH] for himself and the Senator from Oklahoma [Mr. THOMAS] to the amendment in the nature of a substitute proposed by the Senator from Kentucky [Mr. BARKLEY] for himself, the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Maryland [Mr. TYDINGS], and the Senator from Kansas [Mr. REED], for the committee amendment beginning on page 4, in line 2, as amended.

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	O'Mahoney
Andrews	Green	Overton
Austin	Gulley	Pepper
Bailey	Gurney	Radcliffe
Ball	Hatch	Reed
Bankhead	Hayden	Reynolds
Barbour	Herring	Rosier
Barkley	Hill	Russell
Bilbo	Holman	Schwartz
Bone	Johnson, Calif.	Shipstead
Brewster	Johnson, Colo.	Smathers
Brooks	Kilgore	Smith
Brown	La Follette	Spencer
Bunker	Langer	Stewart
Burton	Lee	Taft
Butler	Lodge	Thomas, Idaho
Capper	Lucas	Thomas, Okla.
Caraway	McCarran	Thomas, Utah
Chandler	McFarland	Tobey
Chavez	McKellar	Tunnell
Clark, Idaho	McNary	Tydings
Clark, Mo.	Maloney	Vandenberg
Connally	Maybank	Van Nuys
Danaher	Mead	Wagner
Davis	Millikin	Wallgren
Downey	Murdock	Walsh
Doxey	Murray	Wheeler
Ellender	Norris	White
George	Nye	Wiley
Gerry	O'Daniel	Willis

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. BARKLEY. Mr. President, several Senators have asked whether the proponents of the substitute intend to modify it by inserting a date. We discussed that matter yesterday. The reason why a date was left out, as I tried to explain, was that the Bureau of Agricultural Economics felt that the insertion of a date would operate more as a restriction than otherwise. However, since conferring with a number of other Senators about the matter, we have concluded to modify the substitute; and I now modify the substitute, which I have a right to do.

On page 2, after the word "commodity", in line 5, insert the words "incurred since January 1, 1941," so that the language will read:

Provided further—

And so forth—

or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs—

And so forth. Also, Mr. President, in order that Senators who will vote on the Hatch amendment may have in mind the other modification to which we have

agreed, I wish also to add to the substitute the following language:

Provided further, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. REED. Mr. President, I am uncertain where the second proviso the Senator from Kentucky read is to be inserted. I should like to inquire from the Senator from Kentucky where it is to be inserted.

Mr. BARKLEY. It is to be added to the substitute. The language I read is substantially the language suggested by the Senator from Vermont [Mr. AIKEN].

Mr. REED. It is to be added to the substitute proposed by the Senator from Kentucky [Mr. BARKLEY] and the Senator from Wyoming [Mr. O'MAHONEY], is it?

Mr. BARKLEY. Yes; it is a modification of it and an addition to it.

Mr. TOBEY. Mr. President, will the Senator define the importance of the word "weighting"?

Mr. BARKLEY. Of course, it is more of a commercial term than a legal term, but it means giving an adequate weight to farm labor in carrying out the provisions of the substitute, if it should be adopted.

Mr. McNARY. Mr. President, I desire to express my appreciation of the attitude taken by the able Senators from Kentucky and Michigan. I think the adoption of these two amendments round out and perfect the amendment offered by the Senator from Kentucky, and I shall support the substitute in its present form.

Mr. BARKLEY. I thank the Senator from Oregon.

I merely wish to state that, in view of the perfection of the amendment, I sincerely trust that the amendment about to be voted upon, offered by the Senator from New Mexico [Mr. HATCH], will not prevail. That amendment involves the calculation of all costs of production, which was the theme song of the original Frazier-Lemke bill, which was considered years ago in the Senate. It would involve the calculation of farm labor—

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HATCH. Mr. President, much has been said on the floor during the course of the debate about unity; it has even been stated that some of us would not agree and did not want to agree to any proposal, and that the farm bloc was unpatriotic; in fact, many things have been said in the heat of passion which perhaps none of us would have said otherwise.

I have conferred this morning with the so-called leaders of the farm bloc; I have just now conferred with the Senator from Oklahoma [Mr. THOMAS], the Senator from Montana [Mr. WHEELER], the Senator from Alabama [Mr. BANKHEAD], and other Senators, and I speak

for all of them in what I am about to say, that, in the interest of unity and harmony, and in order that we may enact this proposed legislation, I now withdraw the amendment which I have offered.

Mr. REED. Mr. President, will the Senator yield?

Mr. BARKLEY. I shall yield in a moment, but let me reply first to the gracious remarks of the Senator from New Mexico. I am very grateful to him, and I am sure the Senate and the country will be grateful to him for the very fine attitude which he has taken and which those associated with him have taken. If I may quote an old Methodist hymn which we used to sing when I was a boy:

This is the hour I long have sought
And mourned because I found it not.

Mr. WHEELER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Montana?

Mr. BARKLEY. I yield.

Mr. WHEELER. Mr. President, I merely wish to say that I am exceedingly happy that our leader has agreed to this amendment. So far as I am concerned, I feel that if this amendment is carried out it will give to the farmers of this Nation, in the price fixing of their products, all that the farm bloc has been fighting for, and, I think, perhaps that it is preferable to some of the other amendments which have been offered. I desire to congratulate the Democratic leader for accepting it. I think he has been in a very difficult spot in connection with the pending legislation, and he has handled this matter in a most efficient and able manner.

Mr. BARKLEY. I thank the Senator from Montana.

Mr. REED. Mr. President—

Mr. BARKLEY. I yield to the Senator from Kansas.

Mr. REED. Mr. President, I am very happy this morning at the outcome of the last week's discussion and debate in this body. There has been much criticism in this body of the farm organizations and the so-called farm bloc. I wish to say that I think the criticism of the farm bloc and of the farm organizations has been wholly unjustified. I belong to the farm bloc, even though during last week I have been following out a policy which I thought was a wise one. A week ago today the so-called substitute amendment originated at this desk between the Senator from Maryland and myself. I want to congratulate the senior Senator from Oklahoma [Mr. THOMAS] and his associates on the magnificent work they have done to bring the problem of the farmer to the attention of the country. I think the outcome is worth all the effort the Senator from Oklahoma and his associates have put forth.

Mr. McNARY. Mr. President—

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Oregon?

Mr. BARKLEY. I yield to the Senator from Oregon unless he desires the floor in his own right.

Mr. McNARY. I thank the Senator. I will take the floor.

Mr. President, I have no doubt of the ultimate solution of the problem which has been before us for some days. In the latter part of last week I discussed the proposed amendment with the able Senator from Kentucky and the able Senator from Michigan, and I found them ready to yield to a proposal. I discussed the matter with the farm leaders and I found that they, too, were anxious to compose the differences and showed a willingness to meet halfway those who desired this amendment.

I wish to add my expression of joy and pleasure at the outcome of the situation which all the while was in the making and has now been accomplished. I appreciate the spirit and excellent work done by the able Senator from New Mexico [Mr. HATCH] and the able Senator from Oklahoma [Mr. THOMAS], who have been in constant touch with the farm folks, and today, too, have shown a fine disposition to compose the differences, so that we may pass the pending joint resolution today and adjourn, I hope, at an early hour.

Mr. BARKLEY. I hope so, too.

Mr. McFARLAND. Mr. President, after the testimonials which have just been given, I find it unnecessary to make very many remarks. When the debate reached the point where I had intended to speak, it seemed everything had already been said that could be said on either side. I want merely to explain my vote upon this measure.

There has been sounded here upon the floor of the Senate the warning that we must first win the war. I agree with that sentiment 100 percent, and I know that the farmers of this Nation agree with it. But, Mr. President, in order to win this war, we must have agricultural production. I share the experience of our distinguished leader from Kentucky, who stated that he was reared upon a farm, that he rose early in the morning when the sun was coming up, went out into the field and worked for 50 cents a day. The farmers are working today on the farm because they like the farm, but the farmers and others working on the farm must have a living wage.

I agree with the principle of the Thomas-Hatch amendment, and, therefore, I voted for that amendment, but I have at all times been willing and I have so stated, to vote for any compromise which I thought was a real one, one reasonably fair to agriculture. The compromise which has been presented by the Senator from Kentucky meets that requirement. I, too, am happy, therefore, to vote for the substitute amendment as it has now been perfected.

A great deal has been said on the floor of the Senate in the form of criticism of the farm leaders. I do not agree with such criticism. I think the representatives of the farmers of this Nation have as much right to come to Washington and petition Congress as have the representatives of industry or any other group.

I wish to make one more remark about criticism, and then I shall be through. Our distinguished leader the Senator from Kentucky [Mr. BARKLEY] quoted a statement of General Somervell in which

the general said that we do not need the farm bloc. I wish to say to General Somervell that if he will perform his duties as well as the farmers perform theirs, we will get along all right. The trouble with us is that each fellow is trying to attend to the other man's business.

The tone of the President's message did not antagonize me, its form was immaterial to me. The question before me, and the question before Congress, is whether the proposal now before us would in our judgment be the right kind of legislation to enact, and I think that is the spirit in which we should meet it.

Two days ago I heard one of our officials make the statement that we were losing the war. I wish to offer my objection to that kind of statement. I say we are not losing the war. I would say to the junior Senator from Kentucky that if he were playing a ball game and he should happen to get behind by a few runs in an inning, he would go back in the next inning and say, "Boys, let us make them up." We may be behind by a few runs, but we are not losing the war and we are not going to lose the war.

The spirit which has been manifested here today shows that we are going to have harmony, and that we are going to present a united front.

Mr. CHANDLER. Mr. President, will my colleague yield?

Mr. BARKLEY. I yield.

Mr. CHANDLER. I know that my good friend the Senator from Arizona would not want to place General Somervell in an unfavorable light. As I understand, General Somervell did not say anything against any specific bloc. What General Somervell did say was that this was not the time for any bloc except an American bloc. I know the Senator would want to be fair and just to the general. If we had more officers who are as magnificently trained and who are doing as good a job as is General Somervell, we would be better off. I know about his work from personal knowledge, and from what I know about his conduct in his position as Chief of the Services of Supply. I wanted to make this statement, because General Somervell did not single out any segment of our people to criticize.

Mr. McFARLAND. I could place but one interpretation on what was said by the majority leader and from what I read in the newspaper—that General Somervell said we did not need a farm bloc.

Mr. CHANDLER. He said we did not need any bloc except an American bloc. It would be better if all blocs would join and become an American bloc.

Mr. McFARLAND. There is no doubt about that.

Mr. CHANDLER. I know the Senator is fair, and I know General Somervell is one of the ablest officers who have been produced in this country.

Mr. McFARLAND. I do not question his ability; but I say that he has no right to criticize the farm bloc. I think that was the natural inference to be drawn from his remarks.

Mr. WHEELER. Mr. President, will the Senator permit me to say a word?

Mr. McFARLAND. I yield.

Mr. WHEELER. As the Senator knows, I have been in the Senate for nearly 20 years. I have seen men rise on the floor of the Senate and heard them say they belonged to the farm bloc; but I have been a member of the Committee on Agriculture and Forestry for 20 years, and if there is a farm bloc in the United States Senate I do not know where it is, for I have seen the members of the Committee on Agriculture disagree—I have seen those representing the different farm States disagree upon many questions. If those representing all the farm States in the Senate had represented the farmers and had stuck together, the farmers would not be in the condition in which they are at the present time.

The idea of saying that there is a farm bloc here or that there is a labor bloc here. In my judgment, that is doing a disservice to the country, and most of the time reference to a farm bloc or a labor bloc or some other bloc does not come from the farmers; it comes from the great newspapers of the East that want to discredit the farmers and the representatives of the farmers, and the Senators who come from farm States.

A few years ago there was a Senator from Pennsylvania who said that all of us who came from the farm States were a lot of wild jackasses, but the man who made that statement did not stay in the Senate very long.

Mr. GUFFEY. That statement was not made by a Senator from Pennsylvania; it was made by a Senator from New Hampshire. [Laughter.]

Mr. WHEELER. I beg the Senator's pardon. At any rate, the Senator was eliminated from the Senate by the farmers of his own State shortly after he made the statement.

No one talks about the bloc representing the big industrial centers of the country; no one talks about the bloc representing the bankers; no one talks about the bloc representing the Power Trust; no one talks about the bloc representing this group or that group; but it is said that those who come from the agricultural States are a farm bloc, and that we are trying to discredit the administration, or are trying to wreck the country.

I am sick and tired of hearing men who come from the farm States referred to as a farm bloc. I think it is a mistake for a Senator to stand here and say, "I am a member of the farm bloc." I have attended meetings where those Senators and Representatives have been called together, but it has never been a farm bloc, for very often they have not agreed to stand together upon any proposition that came before them.

The VICE PRESIDENT. The question is on agreeing to the so-called Barkley amendment as modified.

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. THOMAS of Oklahoma. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. Have the yeas and nays been ordered?

The VICE PRESIDENT. The yeas and nays have been ordered.

Mr. THOMAS of Oklahoma. I ask unanimous consent that the substitute as modified be reported to the Senate for the information of the Senate.

The VICE PRESIDENT. The clerk will read.

The LEGISLATIVE CLERK. In lieu of the committee amendment beginning on page 4, line 2, it is proposed to strike out all after the word "inequities" through the word "inequities" in line 13, as amended, and to insert the following: "Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *Provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor."

Mr. THOMAS of Oklahoma. Mr. President, I shall occupy the floor but very briefly.

The pending amendment contains two significant modifications. If the amendment had been agreed to as offered, the measure would not have been effective until passed by the Congress and approved by the President, which would have meant that no increase in farm wages would have been considered in any event until after the law became effective. The amendment which has been offered is most significant in that it gives to the producers of agricultural commodities credit for such increases in labor as may have occurred since January 1, 1941, almost 2 years ago. That is a significant modification.

The second modification is to the effect that in the event price ceilings are to be fixed on farm commodities, the element and cost of farm labor are to be given consideration. That was the amendment which was suggested by the Senator from Vermont [Mr. AIKEN]. The other amendment was proposed by the Senator from Georgia [Mr. GEORGE].

Mr. President, it is the present policy of the Government to give the makers of munitions, the makers of war equipment, full cost of production plus a reasonable profit. Inasmuch as Lieutenant General Somervell saw fit to make a speech 2 days ago criticizing blocs, I

desire to read into the RECORD a few questions and answers wherein General Somervell is quoted.

On page 27 of the hearings held in connection with the sixth national defense appropriation bill for 1942, there appears the following colloquy. The Senator from Oregon [Mr. HOLMAN] was interrogating General Somervell.

Senator HOLMAN. May I inquire, do you take into consideration losses?

General SOMERVELL. Yes, sir.

Senator HOLMAN. Because 6 percent is an awfully close margin to figure on.

General SOMERVELL. Yes, sir; because if a man lost on a contract, and was limited to 6 percent on the next one, he would have no chance to recoup his losses.

On page 28 we find the following questions by the Senator from Louisiana [Mr. OVERTON] and answers by General Somervell:

Senator OVERTON. There is no clause in the contracts permitting you to do it?

He was referring to the renegotiation of contracts.

General SOMERVELL. That is correct.

Senator OVERTON. But hereafter there will be a clause?

General SOMERVELL. Yes, sir.

Senator OVERTON. That will authorize a readjustment of the price?

General SOMERVELL. Yes, sir.

Senator OVERTON. That readjustment of price will allow a certain percentage of profit?

General SOMERVELL. It does not specify a certain percentage, but allows a reasonable profit.

On page 29 General Somervell, in speaking on the same subject, made the following statement in response to the Senator from Wyoming [Mr. O'MAHONEY].

General SOMERVELL. If the 6 percent is taken before taxes, it does not give a man a sufficient margin of profit. It does not pay. It would really put all these contracts on a cost-plus-a-percentage basis—and we had experience with that type of contract in the last war.

It would not allow a margin of profit sufficient to permit the contractor's loss on one contract to be made up on a following contract.

So, Mr. President, the practice in the War Department and the practice which is current in the Navy Department, so I am advised, are such as to allow anyone who produces anything for the War Department or for the Navy Department to make a profit. If a corporation, firm, or individual takes a contract from either department and makes no money, but loses money, he has the opportunity to suggest that loss to the Government officials when they may give him a second contract, so it may be given him at a high enough rate to make up for the loss on the first contract and to make a profit on the second contract. I suggest that it is now the policy of the United States Government to allow profits on all contracts, and well it should be. A corporation cannot exist if it does not make money. A firm cannot continue to operate if it does not make money. An individual cannot live unless he makes money. So it is proper that reasonable profits should be allowed. Before a

profit can be secured all cost, of course, must be included.

Mr. President, the amendment, as it is now agreed to by Senators, permits the processors of agricultural commodities to make profits and that is proper. I agree to that provision. I heard read the amendment which was offered by the Senator from Tennessee [Mr. McKELLAR]. Of course, processors must have profits. If we are to have continued production those who produce must have their cost first, and then must have profits. That policy is sound and should cover the whole economic field of American activity.

Now when we come to the farmer I hope the administrator of this law will allow the farmer full cost of production. Such can be done under the provisions of the pending measure, as we now propose to pass it, and I hope the administrator, whoever he may be, will take a reasonable view of the farm problem. While he may not allow the farmer a 6 percent profit, or a fair and generous allowance of profit, yet in fixing ceilings I hope he will allow the farmer at least to secure cost of production.

On yesterday the Senate voted 48 to 43 to allow farmers the cost of production in the fixing of ceilings on farm commodities. So when we survey the whole field of American activities and find that industry is, in effect, guaranteed profit on its operations, I express the hope that those who administer this law and other laws affecting the farmers will act in harmony with the provisions of this measure and that farm-labor costs will be given proper weight in determining and fixing ceilings on farm commodities.

The two modifications of the pending amendment were considered by a number of members of the Senate Committee on Agriculture and by numerous representatives of the major farm organizations.

While the amendment as modified is not all that the Senate Agricultural Committee and the leaders of the farm organizations desire, yet in the limited time in which we had to act it is deemed the best compromise that we can effectuate.

I am further advised that the statement just made is endorsed by Albert S. Goss, master of the National Grange; Edward A. O'Neal, president of the American Farm Bureau Federation; H. L. Babcock, president of the National Council of Farmer Co-Operatives; and Charles Holman, representing the Milk Producers Federation.

The VICE PRESIDENT. The question is on the substitute amendment, as modified, proposed by Mr. BARKLEY—for himself and others—for the committee amendment beginning on page 4, line 2, as amended.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I understand that if present, he would vote as I intend to

vote. Therefore, I am free to vote, and vote "yea."

The roll call was concluded.

Mr. BARKLEY. I wish to announce that the junior Senator from Virginia [Mr. BYRD] is unavoidably detained on important official business. He had expected to arrive in the Chamber by 1 o'clock when, I informed him, the vote would probably be taken. I am authorized by him to say that if he were present, he would vote "yea."

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] and the Senator from Virginia [Mr. GLASS], are absent because of illness.

The Senator from South Dakota [Mr. BULOW] is necessarily absent.

The Senator from Missouri [Mr. TRUMAN] is absent on public business.

I am advised that if present and voting, the Senator from Delaware [Mr. HUGHES], the Senator from Virginia [Mr. GLASS], and the Senator from Missouri [Mr. TRUMAN] would vote "yea."

Mr. McNARY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent. If present, he would vote "yea."

The result was announced—yeas 86, nays 4, as follows:

YEAS—86

Aiken	Gillette	Pepper
Andrews	Green	Radcliffe
Austin	Guffey	Reed
Bailey	Gurney	Reynolds
Ball	Hatch	Rosier
Bankhead	Hayden	Russell
Barbour	Herring	Schwartz
Barkley	Hill	Shipstead
Bilbo	Holman	Smathers
Bone	Johnson, Colo.	Smith
Brewster	Kilgore	Spencer
Brooks	La Follette	Stewart
Brown	Lee	Taft
Bunker	Lodge	Thomas, Idaho
Burton	Lucas	Thomas, Okla.
Butler	McCarran	Thomas, Utah
Capper	McFarland	Tobey
Caraway	McKellar	Tunnell
Chandler	McNary	Tydings
Chavez	Maloney	Vandenberg
Clark, Idaho	Maybank	Van Nuys
Connally	Mead	Wagner
Danaher	Millikin	Wallgren
Davis	Murdock	Walsh
Downey	Murray	Wheeler
Doxey	Norris	White
Ellender	O'Daniel	Wiley
George	O'Mahoney	Willis
Gerry	Overton	

NAYS—4

Clark, Mo.	Langer	Nye
Johnson, Calif.		

NOT VOTING—6

Bridges	Byrd	Hughes
Bulow	Glass	Truman

So the substitute amendment as modified, proposed by Mr. BARKLEY (for himself and others), for the committee amendment beginning on page 4, line 2, as amended, was agreed to.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 4, commencing in line 2, as amended.

The amendment as amended was agreed to.

The VICE PRESIDENT. The clerk will state the next committee amendment.

The next amendment was, in section 4, on page 4, line 17, after the word "amended", to strike out "(2) which is inconsistent with any recommendation or order of any agency of the Federal Gov-

ernment affecting the wages or salaries of employees whose cases were pending before such agency on September 15, 1942, and were undetermined on the date of enactment of this joint resolution, or (3)" and insert "or the National Labor Relations Act, or (2)."

Mr. CONNALLY. Mr. President, if I may have the attention of the Senator from Michigan [Mr. BROWN], the language on page 4, line 25, refers to the "highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942." I assume that by that language is meant not necessarily wages or salaries actually paid, but the standard for that period.

Mr. BROWN. It means the rate of pay.

Mr. CONNALLY. Will the Senator make a statement covering that question?

Mr. BROWN. Mr. President, I agree with the views expressed by the Senator from Texas. I believe that clause (2), commencing in line 23, on page 4, and extending to the word "Provided", on page 5, line 1, means the rate of salary, the rate of wage, or the rate of pay. Whether or not it was actually paid makes no particular difference.

Mr. CONNALLY. I thank the Senator. The reason for my inquiry is that some persons who are interested have suggested to me their apprehension that perhaps some technical construction might be invoked as to whether or not a man's salary had been increased, or whether he had actually been paid within that period. I am sure the Senator is correct.

Mr. BROWN. I believe that is the correct construction.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 4, beginning in line 17.

The amendment was agreed to.

The next amendment was, in section 4, on page 5, line 2, after the word "may", to insert "without regard to the limitation contained in clause (2)."

The amendment was agreed to.

The next amendment was, in section 4, on page 5, line 3, after the word "salaries", to strike out "below the wages or salaries referred to in clauses (2) and (3) of this section."

The amendment was agreed to.

The next amendment was, in section 5, on page 5, line 7, after the figure "5", to insert "(a)."

The amendment was agreed to.

The next amendment was, in section 5, on page 5, after line 15, to insert:

(b) Any person who willfully violates any regulation promulgated by the President under this joint resolution relating to wages or salaries, shall, upon conviction thereof, be fined not more than \$1,000.

The amendment was agreed to.

The next amendment was, in section 6, on page 5, line 2c, after the word "resolution", to insert "(except secs. 8 and 9)"; and in line 23, after the word "President", to insert "by proclamation."

The amendment was agreed to.

The next amendment was, in section 7, on page 6, line 1, after the figure "7", to insert "(a)."

The amendment was agreed to.

The next amendment was, in section 7, on page 6, after line 3, to insert:

(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such act shall, insofar as they are not inconsistent with the provisions of this joint resolution, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this joint resolution.

(c) Nothing in this joint resolution shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 (except to the extent that this joint resolution is inconsistent with sections 3 (a) and 3 (c) of such act), or to invalidate any regulation, price schedule, or order issued or effective under such act.

The amendment was agreed to.

The next amendment was, on page 6, after line 18, to insert:

SEC. 8. (a) The Commodity Credit Corporation is authorized and directed to make available upon any crop of the commodities cotton, corn, wheat, rice, tobacco, and peanuts for the year 1942 or any subsequent calendar year which begins during the continuance of the present war, if producers have not disapproved marketing quotas for such commodity for the marketing year beginning in the calendar year in which such crop is harvested, loans as follows:

(1) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 90 percent of the parity price for the commodity as of the beginning of the marketing year;

(2) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 percent of the rate specified in (1) above;

(3) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 percent of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

(b) All provisions of law applicable with respect to loans under the Agricultural Adjustment Act of 1938, as amended, shall, insofar as they are not inconsistent with the provisions of this section, be applicable with respect to loans made under this section.

Mr. BUTLER. Mr. President, before the Senate acts on the committee amendment on page 6, beginning in line 19, and continuing through line 19 on page 7, I wish to offer an amendment for the consideration of the Senator from Michigan.

The VICE PRESIDENT. The amendment offered by the Senator from Nebraska will be stated.

The CHIEF CLERK. On page 7, in the committee amendment, after line 19, it is proposed to insert the following new subsection:

(c) In the case of corn and wheat, notwithstanding the foregoing provisions of this section, loans at the rates provided in subsection (a) shall be made only if the President determines that loans at such rates will aid in the effective prosecution of the war. If loans on corn and wheat are not made at the rates provided in subsection (a), loans on such commodities shall be made at the rates otherwise provided by law.

Mr. MALONEY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MALONEY. I had an amendment which I proposed to offer to this section, which it seems to me would be a little more definite than the amendment offered by the distinguished Senator from Nebraska. I inquire if it would be in order for me to offer a substitute therefor.

The VICE PRESIDENT. The amendment offered by the Senator from Nebraska [Mr. BUTLER] is an amendment in the second degree. Therefore it is not subject to amendment.

Mr. MALONEY. I thank the Chair.

Mr. BROWN. Mr. President, the amendment offered by the Senator from Nebraska [Mr. BUTLER], who is a member of the Banking and Currency Committee, has my personal approval, and it has the approval of those who will be charged with the administration of this section.

It has been felt that, while it was very unfortunate and very difficult to make this kind of an exception as to two of our basic commodities, nevertheless, because of the feed situation and the necessity for keeping the prices of meat, particularly beef and pork, within reasonable limits, the President should be authorized to determine whether or not it is in the public interest to make loans above 85 percent on corn and wheat.

Under the provisions of the Butler amendment the President might permit loans as high as 90 percent; but also he would have discretionary authority to place a limit of 85 percent on such loans. It is the opinion of the Department of Agriculture that the adoption of this amendment would be in the public interest. That is also my own opinion.

I should be glad to have the Senator from Connecticut state what he has in mind. My sole interest is to settle the matter satisfactorily to all concerned.

Mr. MALONEY. Mr. President, in answer to the very able Senator from Michigan let me say that I shall not provoke any further controversy, because the difference between what I would suggest and what is proposed by the Senator from Nebraska is not great. The author of the bill, the Senator from Michigan [Mr. BROWN] knows that I was opposed to this entire amendment in the committee. I was particularly disturbed in reference to corn and wheat, because of the very obvious fact that the amendment would increase the cost of feed to poultry and cattle raisers, and would bring about an increase in the cost of living to consumers. I have figures from officials of the Department of Agriculture and from the Office of Price Administration showing an additional cost of \$650,000,000 a year.

The difference between the amendment which I had intended to offer and that already offered by the able Senator from Nebraska is that he allows a leeway, or permits the President to authorize 90 percent loans, whereas my amendment would fix the loan figure in the case of corn and wheat at 85 percent, where it now is. However, I do not believe that the difference is great, when we take into account the general situation and the delays which have occurred. I have com-

plete confidence in what will happen; and because I believe that the purpose which I have in mind will be served by the language of the amendment offered by the Senator from Nebraska, I shall offer no objection, and shall not propose a substitute.

Mr. BROWN. Mr. President, I believe that the amendment offered by the Senator from Nebraska is better than the amendment proposed by the Senator from Connecticut for this reason: It was most difficult for the Senator from Michigan and others of us who are responsible for bringing this measure before the Senate to make a distinction between basic commodities such as cotton, corn, wheat, and other commodities in that list. I did not assent to this amendment until I had discussed the matter with Senators from corn-producing States. I do not state that any of them agrees to this amendment. The situation was most difficult, but I feel that it would be far better to leave with the President the discretion or authority to run the limitation up between 85 and 90 percent, or keep it down to 85, than to adopt a hard and fast rule which would single out corn and wheat and allow absolutely no discretion or authority to the administrative branch of the Government with respect to those commodities.

Mr. LUCAS. Mr. President, I am interested in this amendment. I cannot see why cotton should not be in the same category with corn and wheat so far as the discretionary powers of the President are concerned. I do not see why cotton should be set out definitely in a mandatory provision, or why we should say to the President, "You must loan 90 percent on cotton, but you may loan only 85 percent on corn and wheat." I can understand the provision of the amendment of the Senator from Nebraska with respect to corn as it relates to hogs; but I do not understand the provision with respect to wheat. It seems to me that in dealing with the entire problem with the utmost fairness, cotton, corn, and wheat, basic commodities upon which we have been legislating for a long time, should remain in the same category, in order that the provision may not be misunderstood in the agriculture section from which I come.

In other words, I am in favor of the 90-percent provision, with the discretionary power lodged in the President of the United States to say, at the appropriate time, whether the loan value should be increased from 85 to 90 percent on cotton, corn, and wheat, provided it is in the interest of the war effort, as is stated in the amendment.

I am not attempting to make any argument against the cotton farmer of the South; but I am making an argument for unity. I unhesitatingly say that if this amendment is adopted, giving cotton a preference in the matter of loans, and making it mandatory to increase the loan value from 85 to 90 percent on cotton, with the discretionary authority in the President to say whether or not the loan values of corn and wheat shall be increased, immediately the farmer in my section of the country will say that there is no unity in the provision, and

that one class of farmers is being favored over another.

Not every farmer in my section of the country who raises corn feeds it to hogs or cattle. There are thousands of farmers in Illinois who produce nothing but corn and wheat. They are probably a little more interested in obtaining a 90 percent loan than in having the loan value discretionary with the President. I am speaking from the standpoint of the individual farmer who raises all corn and wheat; but I must look at the problem from the standpoint of an over-all objective—I must consider the farmer and the consumer. Obviously I must base all my decisions upon winning the war.

So with respect to this provision I appeal to the Senator and to the Senate to put all three of the basic commodities in the same category, so that we shall not permit the country to believe that with respect to loans, cotton will receive any preference over either corn or wheat. I present that appeal in the utmost good faith because I am confident that if what I have requested is not done, the people in my section will again misunderstand the problem. God knows there is now enough disunity in that section as a result of what we have been doing here in the last week or 10 days; and I do not want to add any more to the chaos and confusion which exist at the present time.

If my request is not agreed to by the Senate, at the proper time I shall offer an amendment to take care of the matter.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHEELER. I am glad the Senator said what he did say, and I thoroughly agree with everything the distinguished senior Senator from Illinois has just stated.

The wheat farmers in the West—in Montana and in North Dakota—do not to any extent feed their wheat to cattle or sheep. They have to sell their wheat on the market. If cotton is granted a preference it will be very difficult to explain the matter to the wheat farmers who are not now receiving the parity price. The price of wheat is way below parity; if they were receiving the parity price at the present time, the price of wheat would be approximately \$1.34 a bushel. However, the wheat farmers are receiving only approximately 95 cents a bushel for their wheat; in fact, in many places in Montana they are receiving only 85 cents a bushel for it.

I did not hear very much complaint in response to the request for an increase in the loan value; but if a loan of 90 percent is to be granted the producers of other products, the wheat farmers will object bitterly if they are not treated equitably, because they are not now receiving the parity price for their wheat. Senators suggest that cattle raisers and chicken raisers should be protected; and the President has said that the price of cattle and the price of beef are too high; and yet it is proposed that we say to the wheat farmers of the country, "We shall not increase the loan value of your wheat

5 cents so as to try to bring the price of wheat a little nearer to the parity price, but we shall increase the loan value of all other products."

I thoroughly agree with what the Senator from Illinois has said. In the wheat-growing sections of the country more disunity and greater discouragement would be caused on the part of the wheat farmers by including in the measure a provision of the kind which has been proposed than by ignoring the whole subject. Either the provision should apply to all products or it should not apply to any. If the proposed amendment should be adopted the farmers in my State and in the Northwest generally would be discriminated against.

Mr. BROWN. Mr. President, the Senator from Montana [Mr. WHEELER] and the Senator from Illinois [Mr. LUCAS] certainly have a good deal on their side of the argument. It was with great reluctance that I brought myself to take the position I have taken. However, the practical situation is this: We propose to stabilize prices and wages as of September 15, 1942. The 90-percent floor, so-called, would, if corn and wheat were included, bring about such a situation that according to the testimony of those in charge of price administration, there would be, as the Senator from Connecticut pointed out, an immediate increase in the prices of those two feed crops—corn and wheat—which would result in adding \$650,000,000 to the bill of the consumers of the United States.

So far as I personally was concerned, I had to decide between making an apparent discrimination—and I grant that it would be—and doing that which would be best for the great mass of the consuming public. There is no question that the other basic commodities—and of course there is another large class of commodities—the production of which the Secretary of Agriculture is encouraging for war purposes—would be benefited by the 90-percent loan provision proposed to be included in the joint resolution.

I say that I had to decide between those two matters. I felt that if we were to disturb the present level of prices, which is the ideal or the standard which we are hoping to achieve by the passage of the pending joint resolution, to the extent of raising the prices of meat, pork, beef, and poultry by the amount of \$650,000,000, it would be most unfortunate.

Therefore, with great reluctance I adopted the means suggested by the Senator from Nebraska [Mr. BUTLER], the Senator from Connecticut [Mr. MALONEY], and others, particularly those in charge in the Department of Agriculture; I adopted that very unfortunate means of achieving the desired result. I am fully convinced that it is a sound method and is the proper thing to do under present circumstances.

Mr. WHEELER. Mr. President, let me say to the Senator from Michigan that when I read the proposal I immediately recognized that it would not stabilize prices but would raise the prices of some commodities. That would be the effect

of the proposed 90-percent-loan provision.

Mr. BROWN. I disagree with the Senator.

Mr. WHEELER. Let us consider wheat, for instance. What the average wheat farmer receives today is the loan value of his wheat, although, as a matter of fact, the Montana wheat farmer does not receive that much, because he cannot store his wheat; there are not enough bins in which to store the wheat the wheat farmers are raising. Consequently, in many instances, the wheat farmer has to store his wheat on the ground, or dump it on the market, where he has to sell it at a price below its market value.

I am stating facts. I have only recently returned from among the wheat farmers of Montana, and I know what is taking place there. My information does not come from some theorist in the Department of Agriculture, but from actual observation, and I know what is taking place.

If the proposed amendment were agreed to we should be saying to the wheat farmers in that section of the country, "We shall keep down the price of your wheat, but we shall grant high loan values for all other commodities"; and we should be saying that notwithstanding the fact that today the wheat farmer is not receiving the parity price for his product, and notwithstanding the fact that his labor costs have gone up tremendously, and now he cannot even secure the labor he needs, no matter what he offers to pay for it.

If the proposed amendment should be agreed to the feeling would be created that the Congress and the administration were discriminating against the wheat farmers of this country. If that is what the Senators want to do, of course, they can do so.

Oh, Mr. President, there has been much said about unity in this country; but the kind of unity referred to is the unity obtained when there is 100-percent agreement with everything a certain group in the country wants. If one does not agree with that group he is charged with trying to breed disunity.

Mr. President, unity is a two-way street, and there must be cooperation by both sides.

While I am referring to unity, let me call attention to the fact that some of those who are shouting the loudest about unity in this country have been trying to bring about the greatest disunity. When Pearl Harbor was attacked I was one of the first men in the country to say that what we had to do was to destroy the Japs, and that I strongly favored doing so. Since that time I have done everything I possibly could to go along with the administration in the prosecution of the war. Yet what do I find? I find a number of controlled publications and a number of persons putting out propaganda, some of it coming from administration sources, trying to stir up disunity in the United States on every occasion by criticizing everyone who before the attack on Pearl Harbor happened to be opposed to entering the war.

If such criticism will bring about unity in our country, let me say that, so far as I am concerned, if anyone, whether acting on behalf of the administration or otherwise, wants to raise the question as to what my stand was before we entered the war, I am perfectly willing to discuss it on the floor of the Senate.

Mr. BROWN. Mr. President, is the Senator from Montana addressing his remarks to me? [Laughter.]

Mr. WHEELER. No; not at all. I am not addressing them to the Senator, because the matter has not been challenged in the Senate, but I am becoming weary of having those who speak for the administration—spokesmen of the administration—constantly sending out propaganda to the effect that everyone who before the attack on Pearl Harbor did not agree with them about entering the war was unpatriotic, and yet at the same time they call for unity.

So I agree entirely with what the Senator from Illinois has said. I do not know what will be the attitude of the corn farmers because in Montana comparatively little corn is grown, but I think I can speak for the wheat farmers, for in recent weeks I have been in contact with them on their farms throughout Montana, and I know what their attitude is. In many instances they now are saying that the Congress and the administration favor the cotton farmers and some other farmers, but discriminate against the wheat farmers in the Northwest.

If the proposed amendment be included in the measure, or if the matter be left to the discretion of the President, and if he discriminates against the wheat farmers, in my judgment, not only will there be brought down the accusation that the wheat farmers of the country are being discriminated against but it will be a just accusation.

Mr. BROWN. Mr. President, the practical situation is that if the 90-percent floor, so-called, which is proposed as a result of suggestions contained in the President's message, shall be agreed to as to all crops, there will result an increase of approximately \$650,000,000 in the cost of living.

If the amendment offered by the Senator from Nebraska [Mr. BUTLER] or the amendment offered by the Senator from Connecticut [Mr. MALONEY] were agreed to, then the 90-percent floor, so-called, would not affect the cost of living. In other words, it is a device—an unfortunate one, I agree—by which we maintain the present status—the present level of prices. I think under those circumstances the amendment is justified.

Mr. LUCAS. Mr. President, will the Senator from Michigan yield for a question?

Mr. BROWN. I yield.

Mr. LUCAS. I do not doubt the statement the Senator has made with respect to the increased cost of living, but it will not be possible to explain that situation to the farmer who reads in the newspapers that one group of farmers in this country is able to obtain 90-percent loans, and it is mandatory upon the part of the President that he allow them 90-percent loans; while, on the other hand,

it is discretionary with him whether he shall give the wheat and the corn farmers 90-percent loans. Assuming everything that the able Senator from Michigan has said to be true, would not discretionary rather than mandatory power in the President result in accomplishing the very objective the Senator has discussed? In other words, if the President of the United States wants to allow the cotton farmer a 90-percent loan, give him discretionary power to do so. It will meet the objection to which the Senator has referred, and the corn farmer in my section will be satisfied if the President of the United States does that.

I do not say that the President of the United States will discriminate against the wheat farmer or the corn farmer or the cotton farmer. I have confidence in the President of the United States to administer this law in a just, wise, and judicious manner for the benefit of all the farmers insofar as he can do so on a basis of equality. I am confident that we are going to have a better feeling among the farmers of this country, especially in the Northwest and the Central West where the other two basic commodities are produced, if they are all placed in the same category, and the President of the United States is given the discretionary power, if that be necessary, to make any loan he wants to make between 85 to 90 percent on either one of the commodities.

At the proper time, Mr. President, I propose to offer an amendment which will accomplish that objective.

Mr. HERRING. Mr. President, representing, in part, the foremost corn-producing State in the Union, I wish to say that I agree with the Senator from Illinois. I cannot agree that it would not affect the cost of living to permit an increase in the sales price of cotton and at the same time hold down corn and wheat under a discretionary power.

I may say that before the committee the producers of corn and wheat did not ask for an increase in the loan value to 90 percent. It was the representatives of other crops who asked for that; and now we are being penalized simply because we did not ask for the increase. We were willing to have the price stabilized in order to hold down the cost of living. Now we find we are being penalized because of that very attitude.

I may say that the price of cotton affects the cost of living just as much as does the price of corn or wheat. The corn and wheat producers are willing to accept the same provision that is applied to the other basic commodities, but this proposal is unfair and discriminatory to us, for, in the one case the power would be discretionary and in the other case mandatory.

Mr. BUTLER. Mr. President, I should like to emphasize one clause in the amendment that it is left discretionary to the President "if in the interest of the war program." I do not believe any of us in America want to deny the President that privilege. Whether he will execute the option we do not know, but I believe, in the interest of unity, we in the section from which I come are perfectly willing to go along, because grain, as such, is not

worth a great deal. It has got to be converted into meat, into poultry products, or dairy products before it becomes of value in the war program. The Department of Agriculture has indicated its preference for this proposal, as have the committee leaders, and I am perfectly willing to go along with them and leave this discretion to the Commander in Chief.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. LUCAS. The Senate amendment does not leave it to the discretion of the President of the United States insofar as cotton is concerned. That is the basis of the argument of the Senator from Illinois. In other words, the Senator's amendment absolutely says nothing about cotton, and that is what I am talking about.

Mr. BUTLER. The Senator from Illinois can offer his amendment at the proper time.

Mr. LUCAS. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Would an amendment to the amendment offered by the Senator from Nebraska be in order?

The PRESIDING OFFICER. It would not be in order, because the amendment of the Senator from Nebraska is in the second degree.

Mr. LUCAS. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state his parliamentary inquiry.

Mr. LUCAS. If the Butler amendment is agreed to then, will the amendment which the Senator from Illinois proposes to offer dealing with this proposition be in order at that time?

The PRESIDING OFFICER. The committee amendment would be open to further amendment.

The question is on the amendment offered by the Senator from Nebraska [Mr. BUTLER].

Mr. OVERTON. Mr. President, as I read the joint resolution I thought the policy had been adopted insofar as certain commodities are concerned to undertake to stabilize their prices, or aid in stabilizing their prices, by increasing the loan value on basic commodities. So far as I know that seems to have met with general approval.

Now it appears that there are some Senators from the wheat and corn areas who are objecting to this iron-bound provision in the joint resolution and who desire that some discretionary authority be vested in the President insofar as wheat and corn are concerned. There could be no objection to that if it meets with the approval of the Senators who peculiarly represent the area in which these crops are produced; but if they desire a modification of the rule prescribed by the committee, why should they wish to bring other commodities under the rule designed to fit the peculiar situation which obtains in the Middle West and the West?

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. WHEELER. The Senator is incorrect, I think, because, if I am judge of the sentiment among the wheat farmers, they would be glad to have the provision just as it is. They did not come here asking for it, it is true; but they do not want to be discriminated against.

Mr. OVERTON. Why advocate it at all? Why not vote down the amendment?

Mr. WHEELER. Every farmer in my State would like to get an increase of 5 percent in the loan, because that would mean he would receive more for his wheat. The same argument applies to wheat and to corn that applies to cotton. Why discriminate against the wheat farmer? Why discriminate against the corn farmer?

Mr. OVERTON. It is a discrimination that is not being brought about by anyone representing the cotton farmer, the tobacco farmer, or the rice farmer.

Mr. WHEELER. I agree to that, and that is the reason I am appealing to the cotton farmers and the rice farmers to vote down this amendment and let the provision which is now in the measure remain.

Mr. OVERTON. I agree with the able Senator. I think the best course to pursue is to vote down the amendment.

Mr. BANKHEAD. Mr. President, this amendment was adopted in the Committee on Banking and Currency, putting all the commodities affected on exactly the same basis, and it was really presented in line with the President's recommendation. The figures were accepted also because we were informed that 90 percent had been mentioned, and was agreeable to the President. It will be recalled that he had mentioned the importance of putting floors under these agricultural commodities.

I was approached about this amendment by the Senator from Nebraska, who offered it, and I told him that if the wheat producers and the corn producers did not want to be included, of course I did not want to force them into it, but personally I favored putting in all the commodities as they were included in the committee.

I do not like to have a controversy develop between the producers of wheat and corn which may result in cotton, tobacco, rice, and peanuts being left out, or the loan provision being left even in the discretion of the President, because he may feel as the Senator from Illinois feels, and if we put in a few and leave the matter to the President's discretion, he may not apply the ceiling to any of them.

I want it known, for whatever effect it may have, that the groups interested in cotton, tobacco, rice, and other commodities included have had nothing to do with this movement. I had been led to believe that there would not be any disagreement between the corn and wheat interests about the matter, but now the disagreement appears.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. McKELLAR. As I understand, there has been no application, no desire,

no purpose, no intent, and nothing done, to have the cotton, rice, and tobacco included in the amendment.

Mr. BANKHEAD. There will be; notice has been given that an effort will be made to include cotton.

Mr. McKELLAR. But the cotton, tobacco, and rice producers have not made any request to be included.

Mr. BANKHEAD. No.

Mr. BROWN. Mr. President, I fully concur in what the Senator from Alabama says. The amendment did not come from the cotton-growing States, or from Senators representing cotton-growing States. I greatly regret that the Senators from corn-growing States feel as they do about the proposal. The situation is a very practical one, for the 90-percent loan as to the other commodities would not affect the level of prices, but a 90-percent loan on corn and wheat would materially affect prices.

This matter was the subject of criticism in the committee and in the country, and on the part of the administration, when the 90-percent loan proposal was placed in the bill by the Committee on Banking and Currency.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. BROWN. I shall yield in a moment. The amendment is the amendment of the Senator from Alabama. As he stated, the amendment was based largely on the President's message. No specific figure was given for a floor, but floors were mentioned in the message, and we were confronted by the very practical proposition, that corn and wheat, if given 90-percent loans, would rise materially in price. Our idea in sponsoring the joint resolution has been to stabilize prices as they are, and despite the misgivings of many Senators, I am satisfied that they will be stabilized substantially as they are. But if we do not in some way give the President this limited and small discretionary power between 85 and 90 percent of parity for a loan basis, we shall be criticized throughout the country for permitting an upward bound in the cost of living to the amount of \$650,000,000.

The Senators from Montana and Illinois both say that that cannot be explained. I think it has been explained on the floor of the Senate. I think when we are setting up a definite price stabilization as of September 15, 1942, and we find that this 90-percent amendment would greatly disturb that situation, the farmers will understand. There is no great dissatisfaction with the prices of corn and wheat at the present time. We are merely carrying out the general idea of the joint resolution, to keep prices at the present level.

I now yield to the Senator from Connecticut.

Mr. DANAHER. Is it not a fact that the Department of Agriculture informed us that the increase in cost to consumers as a result of the amendment as it came from the committee would amount to \$650,000,000 a year?

Mr. BROWN. The Senator is correct.

Mr. DANAHER. Am I not correct in having understood the Senator from Michigan to say that the committee

amendment was not the work or the amendment of the Senator from Alabama?

Mr. BROWN. The Senator did not hear quite all the statement. I said that the amendment of the Senator from Alabama was an amendment which included within the 90-percent loan classification all basic commodities, and all commodities the production of which is encouraged by the Secretary of Agriculture, and that it was not the idea of the Senator from Alabama that corn loans should be reduced to 85 percent.

Mr. DANAHER. Let me ask the Senator from Michigan whence the amendment came? It was not in the original joint resolution.

Mr. BROWN. No; it came from the Senator from Nebraska, who offered it a while ago.

Mr. DANAHER. I am not referring to the pending substitute, but to the committee amendment.

Mr. BROWN. The committee amendment came from the Senator from Alabama; but, as I tried to make plain, the Senator's amendment covered all crops under the 90-percent floor provision.

Mr. DANAHER. It did and does represent an increase in loan rate from 85 to 90 percent?

Mr. BROWN. That is correct.

Mr. DANAHER. On all basic commodities?

Mr. BROWN. Yes.

Mr. DANAHER. I thank the Senator.

Mr. BANKHEAD. I am sure the Senator from Michigan and the majority leader will confirm the statement that in the original conference—at which I was permitted to be present—between the two Senators who were the authors of the joint resolution, there was discussion of the question of the amount to be included in the measure in order to carry out the recommendations contained in the President's message, there was a discussion as to whether the loan rate should be 100 percent or less.

Although the Senate, after a very active contest about a month or so ago, passed the measure providing for 100-percent loans on all these basic commodities—and I was coauthor of that bill, with the junior Senator from Georgia—in view of subsequent developments, in view of the removal of the 110 percent of parity—10-percent extra—which prevented fluctuations in the prices of these commodities above 100 percent, I told the members attending the conference that I would not insist on the 100 percent because it would leave no margin for fluctuation but would amount to a fixation at 100 percent of the price. If the floor was fixed at 100 percent and the ceiling at 100 percent, the market would be closed.

Mr. BARKLEY. Will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BARKLEY. I believe the Senator also suggested that if the floor and the ceiling were fixed at 100 percent of parity, and a loan rate were fixed at 100 percent of value, the tendency and the incentive would be for all producers to put their crops in the hands of the Government and take the 100 percent loans. It should be emphasized that when the 100-percent

loan bill was passed, of which the Senator was the author, or perhaps coauthor—

Mr. BANKHEAD. The Senator from Georgia was coauthor.

Mr. BARKLEY. That is correct. The 100-percent-loan provision which was in the bill was based on 110 percent of parity and based on the theory that there ought to be about a 10-percent difference between the parity requirement and the loan; otherwise all crops might go into the hands of the Government under the loan.

Mr. BANKHEAD. That is correct. It was in recognition of that principle that I proposed to the conference that we reduce the rate to 90 percent, although the Senate had adopted 100 percent.

I make this statement because someone asked where this amendment came from. It was then agreed by those present that I should prepare the amendment along the lines agreed on and present it to the committee. In that way I became the author of the amendment in the committee, rather than have it in the original draft, because the original draft of the bill was then ready for introduction. That is how the matter started.

Mr. HERRING. In answer to the Senator from Kentucky let me say there was no objection to the 90 percent covering all basic commodities. We are making the objection because you singled out corn and wheat.

Mr. BANKHEAD. Do not say I did.

Mr. HERRING. I voted against the 90 percent in the committee. It was passed over my vote. I now merely ask that if we are to have a 90-percent commodity loan, it should apply to all commodities.

Mr. BANKHEAD. I agree with the statement of the Senator.

Mr. DANAHER. Will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. DANAHER. There were many other members on the committee who voted with the Senator from Iowa, including myself. It is my recollection there were several proxies voted the other way, and that is how the amendment got into the bill.

Mr. BANKHEAD. I shall not take further time in the matter, Mr. President. The pending measure is in the interest of stabilizing and putting floors under certain agricultural commodities. It is a measure which has been recommended by the President. It embraces a principle generally recognized, and certainly all representatives of the commodities which are left in the joint resolution have no desire to exclude any other commodity, and if any other commodity is excluded, it will be by the action of the representatives of that specific commodity. In view of the opposition which has arisen—I was led to believe there would not be any—I shall vote against the amendment offered by the Senator from Nebraska.

Mr. DANAHER. Will the Senator further yield?

Mr. BANKHEAD. I yield.

Mr. DANAHER. I suggest that a feasible way of reaching the heart of the problem would be for the Senator

from Alabama to withdraw his amendment. In that way he could relieve the whole difficulty.

Mr. BANKHEAD. The Senator from Connecticut ought to have better judgment than to make such a suggestion.

Mr. TAFT. Mr. President, I have never understood the reason for including the 90-percent loan amendment in the joint resolution, which is a measure to reduce the whole level and stabilize the cost of living. The principal items of which complaint is made and which the bill will affect, are milk, butter, eggs, and, to some extent, meat products. The loan provided for on wheat and corn will increase the cost of feed. It will increase the cost of producing pork, for instance, by 40 cents a 100 pounds. The moment the amendment to the law goes into effect it will raise the price of corn to such a point that the increase in the cost of feeding hogs will be 40 cents a hundred pounds.

The great complaint throughout the country today is over the cost of meat and the cost of dairy products. In the pending measure, which is designed to hold the present levels, it is proposed that we include a provision which will forcibly raise the price.

Heretofore we have been talking about restraining, but now we are taking a price which probably is above its natural level anyway and are proposing by this loan provision to increase it 5 percent in the case of corn and wheat. That is directly against the very purpose of the pending measure. It will negative, to my mind, a large proportion of the gain which might conceivably be accomplished in holding down the price of dairy products to 100.

Mr. President, it makes no difference to most farmers, because the parity payments provide for 100 percent of parity, and consequently the corn and wheat farmer who sells at 85 percent gets 15 percent as his parity payment. If it sells at 90 percent he gets 10 percent as his parity payment. So, as far as I can see, it makes no difference to him. It is a slight subsidy policy, but we have adopted that policy for years, so I see no objection to it at the present moment.

It is suggested that this proposal was in accord with some agreement. I was not present at the conference to which the Senator from Alabama [Mr. BANKHEAD] refers, but it certainly does not carry out the idea presented by the President in his message. He suggested that there be a floor under farm prices—when? After the war, so as to help the farmer at a time when prices are likely to collapse. The amendment, when originally proposed by the Senator from Alabama, contained a provision that the 90-percent loan should continue for 3 years after the war. That was finally yielded. So it came back as nothing but an immediate price-raising measure, so far as corn and wheat are concerned.

I do not care about cotton, because cotton is already selling for more than the 90-percent loan. The price of cotton will not be raised by this particular loan provision. I am not absolutely certain, but my impression is that the price of cotton and cotton goods, for a long time

to come, is set on the basis of a cotton price higher than the 90-percent loan.

So far as the next year is concerned it does not make any material difference to the consumer whether cotton has an 85 percent or a 90 percent loan. It, therefore, makes no difference to me. It seems to me that the only effect of raising the loan price on corn and wheat is to increase the cost of living, and to increase the difficulties of the meat producers and the dairy farmers, who presented the greatest case for increased cost, from the standpoint of labor and other elements, and finally to increase the cost of living in connection with the very item about which the housewife is most severely complaining. So it seems to me that certainly we should agree to the Butler amendment. What we do with cotton is immaterial to me. I do not think it will have any immediate effect whatever on the economy of the country.

Mr. LANGER. Mr. President, I wish to appeal to Senators to vote against the amendment for the reason which I shall state. During the last World War in the Northwest a price was set on wheat. Cotton went to 40 cents a pound during the last war. We confront apparently a similar situation at this time. I have before me the debates which occurred in Congress 25 years ago, during the last World War. Those debates show that at that time also the wheat farmer was discriminated against. I do not know of one good reason why the farmer who raises cotton or why the farmer who raises tobacco should get a better deal than the farmer who raises wheat and the farmer who raises corn. We are today asking for just exactly the same kind of a deal for all four commodities. I hope therefore the amendment will be rejected.

Mr. LUCAS. Mr. President, regardless of what happens to the Butler amendment, I am going to offer the following amendment, on page 6, line 19—to strike out the word "the", and in lieu thereof to insert:

If the President determines that loans at the rate provided for in this section will aid in the effective prosecution of the war, the—

Then follows the language in line 19—

Commodity Credit Corporation is authorized and directed to make available upon any crop—

And so forth. I do not wish my position misunderstood in connection with this measure. The Senator from Illinois has consistently and constantly, since the measure was brought to the Senate, supported the theory of the President, insofar as inflation is concerned, and I am against any amendment that will tend to produce inflation. In other words, I think my amendment will not in anywise affect the present economy of the country, but it will do exactly what I have explained from the first—it will leave the discretion with the President of the United States as to whether or not he shall grant a loan of 85 percent on corn, wheat, or cotton. That is all I am asking. If 85 percent on corn is sufficient, and the President so states by an order

to the Commodity Credit Corporation, I am satisfied. If he authorizes an 85-percent loan on wheat, I am satisfied. If he wants, under his discretion, to grant a loan of 90 percent to cotton, as is suggested here, I am satisfied. I shall not by my vote make it mandatory that cotton shall obtain a loan of 90 percent, which would happen if the Butler amendment were adopted. I cannot let that go to the country and permit the corn and the wheat farmer to remain on the 85-percent loan basis. In other words, we have a floor at the present time on all these commodities of 85 percent of the parity price, and I have always doubted the wisdom of giving 90 percent, as is proposed in the amendment, because we have already fixed a floor through the loan legislation passed by the Congress providing for mandatory loans. The mandatory loans are to be made on the basic commodities.

Mr. BROWN. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. BROWN. Everyone realizes that, so far as I am concerned, I have no particular State interest in this matter. I had hoped that the suggestion made by the Senator from Nebraska would be acceptable to the Senator from Illinois with whom, he will recall, I discussed the question, as well as with the Senator from Iowa and others who are interested in it. It is quite apparent that we are going to have to go to conference on this matter. The Senator from Alabama [Mr. BANKHEAD] will be a member of the conference committee. I urge Senators representing these two particular interests to note that, from a practical standpoint, the wheat and corn farmers are not asking that this \$650,000,000 be added to the bill of the American consumers.

Mr. LUCAS. Mr. President, will the Senator yield at that point?

Mr. BROWN. I yield.

Mr. LUCAS. The Senator from Michigan does not think I am asking for that.

Mr. BROWN. No; I certainly do not. The Senator from Illinois has just stated that if the President makes an 85-percent loan on corn and a 90-percent loan on cotton and peanuts and tobacco and these other crops, he would be content. With that situation facing us I ask the Senator from Alabama if he will not let us put in the measure a provision for 85 percent. Then when the joint resolution goes to conference I am quite satisfied that we can work out with the administrative authorities a provision which will solve the problem. If the amendment which the Senator from Illinois offers would have the result, as I think it may, of defeating the Butler amendment, then we would be in the situation of both the House and the Senate having definitely adopted a provision for 90-percent loans, and the conferees could not do anything about it. Every Senator admits that the situation is such that the \$650,000,000 ought not to be added to the bill of the American consumer. With that situation in mind I appeal to the Senator from Alabama.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. BANKHEAD. I wish to say, in order that there may be no misunderstanding about the matter, that I do not take any stock at all in the statement furnished to the Senator from Michigan by an employee in the Department—and I know who furnished it—that a proposal for a 5-percent loan increase would result in an increased cost to the consumer of \$650,000,000.

Mr. BROWN. Mr. President, I will say that the information was not furnished to me by an employee; it was furnished to me by the Price Administrator.

Mr. BANKHEAD. But it came through an employee. The Government, in fact, will not lose money on its cotton loans, and probably will not lose any money on its tobacco loans. Those loans are not an expense to the Government. They are recoverable.

Mr. President, as the present shortage of farm labor increases, and as there is a greater demand for food for lend-lease purposes, I have no apprehension that the Government will lose anything at all on these loans. The Government has a large quantity of wheat which it can sell. That wheat is holding the price down. Putting wheat and corn in loan will not necessarily increase the price of those commodities. We fought that fight here previously. I assisted the administration in that fight, which tied up the agricultural appropriation bill for about 2 months. One of the principal points involved in that fight was the proposal that we give the administration power to sell wheat at 85 percent of the parity price of corn. The administration still has that power, and will have it throughout the present marketing year—nearly an entire year, up to the 1st of next July. So I do not think this matter ought to be decided upon a statement that the proposed action will cost the consumers of the country any great amount of money. I doubt if the President would have suggested 90 percent, as anxious as he is to protect consumers, if there had been any real justification for a conclusion of that sort.

Mr. LUCAS. Mr. President, will the Senator from Alabama yield for a question?

Mr. BANKHEAD. I yield.

Mr. LUCAS. What benefit can the cotton farmer derive from the 90-percent loan being made mandatory in the pending measure in view of the present market price of cotton.

Mr. BANKHEAD. So far as price is concerned, as the Senator from Ohio has properly said, cotton is selling above the loan value. If, however, with the tremendous crop which we have—the largest in recent years—and with very few speculators or buyers of hedges in the market, the cotton is dumped on the market, as most likely it will be, the price of cotton will be driven down to the loan point. I do not believe it will ever go much below the loan point; but the fact that we have a little higher loan point will stabilize the price, and the mills will buy at that level to keep cotton

from going into the loan. So I think there is a possibility that it would be helpful to the cotton farmers from that standpoint. It is conceded that nobody expects the Government to suffer any loss as a result of the loan. I do not know whether or not it would benefit the wheat and corn producers. If it would, I should be glad to vote to benefit them. If it would benefit them, considering the loss of labor they have suffered and the increase in costs to which they have been subjected, I think we ought to be willing to benefit them if we can do so by raising the market price 5 percent and letting the farmer have the benefit of the increase. I am willing to take that responsibility, in view of the distressing situation now confronting agriculture.

Mr. BROWN. Mr. President, I have the floor.

The PRESIDING OFFICER (Mr. BUNKER in the chair). The Senator from Michigan has the floor.

Mr. BROWN. Mr. President, in view of the President's message, and in view of the sacrifices which must be made by farmers in preventing prices from going considerably higher than they now are, I believe that the Senator from Alabama is justified in asking for a 90-percent loan. But the corn and wheat producers are not asking for the \$650,000,000, if Mr. Henderson is correct as to the figure. If we pass the joint resolution as it is, there will be absolutely nothing in the conference on the question.

The Senator from Alabama and I have many times made agreements in the cloakrooms and elsewhere. We did so this morning. We have been able to compromise on many things. Let me say to the Senator from Alabama that I will commit myself to see that he is fully protected in conference with respect to 90-percent loans for basic commodities. However, I think it would be most unfortunate, when elements of agreement on this question are apparent from what the Senator from Illinois [Mr. LUCAS] and the Senator from Iowa [Mr. GILLETTE] have said, to lose the opportunity to go over this question and possibly obtain some idea from those in charge of the administration as to what rates would be used as a basis for loans.

I again appeal to the Senator from Alabama. I am sure that the Senator from Kentucky [Mr. BARKLEY], the Senator from New York [Mr. WAGNER], and I are willing to be committed to see that the Senator's amendment with respect to the crops in which he is primarily interested is carried out. If we cannot agree on anything else, we can include the 90-percent provision.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BROWN. I should like to discuss this question with the Senator from Alabama. I am sorry to spend as much time on it as I have spent, but this is a highly important provision.

I do not wish to be accused of approving a measure which those in charge of the administration say would result in an additional cost of \$650,000,000 to the consumers of the United States. I do not believe that the Senator from Illinois

[Mr. LUCAS] wishes to be charged with that responsibility.

Mr. LUCAS. I so stated.

Mr. BROWN. Under the circumstances he certainly cannot be so charged.

I appeal to the Senator from Alabama. Let us adopt the 85-percent basis, with the assurance that the Senate conferees will agree to 90 percent if we cannot work out something which is satisfactory to everyone concerned. However, we cannot work it out on the floor of the Senate.

Mr. BANKHEAD. Mr. President, I would trust my very character in the keeping of the Senator from Michigan. I would not have any sort of doubt about his compliance, both in letter and in spirit, with the assurance he has just given. If the question did not include anything but the matters in which I am directly interested, I should quickly accept the proposal. However, unhappily there are differences among the wheat and corn producers, particularly the producers of wheat. Two Senators want the 90-percent provision for wheat. I do not want to be accused of taking care of my personal interests and leaving them in the lurch.

Mr. BROWN. I again appeal to the Senator. The Senator from Illinois has stated that he was principally concerned about wheat.

Mr. BANKHEAD. No; about corn.

Mr. BROWN. No; I think he stated that he was principally concerned about wheat.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. WHEELER. In part I represent a wheat-producing State. I do not care who in the Department of Agriculture stated that an increase of 5 percent in the price of wheat would result in an increased cost to the consumer of \$650,000,000.

Mr. BROWN. The reference was to the prices of both wheat and corn.

Mr. WHEELER. Such an increase in the loan price of corn might raise the price of cattle somewhat. However, wheat is not fed to any extent to cattle or hogs. It is fed to chickens in the East and in other places.

When the price of wheat was low it did not affect the price of bread. The price of bread did not go down. When the price of wheat goes up the price of bread does not go up. As a matter of fact, the price of wheat in the United States has practically nothing to do with the price of bread, the price of cake, or the price of pastry. So far as the cost of food to the general public is concerned, as it is involved in the cost of flour and other wheat products, the price of wheat has practically no effect whatever except in the case of chicken raisers, who feed a comparatively small amount of wheat to their chickens. However, the great bulk of the high-grade, high-protein wheat which is produced in Montana, North Dakota, and other States is not fed to chickens or to cattle. It goes into the manufacture of flour. What excuse can I give to the producers of high-grade northern wheat in Montana

for raising the loan value of cotton, but not of wheat?

The Senator says that the wheat farmers are not asking for any increase. The representatives of the corn farmers were here, and they did ask for it. The representatives of the wheat farmers in the Northwest must have been asleep at the switch, because they did not call the situation to the attention of anybody in Washington.

Mr. BROWN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BROWN. Assuming that the course we shall take when the joint resolution has been finally perfected is to proceed to consider the House bill, strike out all after its enacting clause, and substitute the language of the Senate joint resolution for that of the House bill, would the subject of the Bankhead amendment be in conference?

The PRESIDING OFFICER. It would be if it were retained in the Senate amendment.

Mr. BROWN. This inquiry may perhaps go beyond the proper scope of inquiry; but under the rules could a point of order be made in the House of Representatives against any change which might be made in the amendment known as the Bankhead amendment in the Senate, and I believe known as the Steagall amendment in the House, if the two were identical as they came to the conferees?

The PRESIDING OFFICER. No point of order could be made against any part of the Senate amendment.

Mr. BROWN. Then I take it that if we adopt the Bankhead amendment as it is, the entire subject matter of the so-called floor of the 90-percent loan would be subject to change in conference?

The PRESIDING OFFICER. Where one House adopts an entire substitute for the bill of the other body, the conferees have very wide latitude in dealing with the question and may make any germane amendment or modification.

Mr. BARKLEY. Mr. President, I do not know whether the Senator has called attention to the fact that before we finish we must take up the House bill and substitute the language of the Senate joint resolution for that of the House bill.

Mr. BROWN. I so stated.

Mr. BARKLEY. I was detained from the Chamber, and I did not know whether the Senator called attention to that feature. When we strike out all after the enacting clause in a House bill and substitute the language of a Senate measure, wider latitude is allowed than is ordinarily true when a House bill is amended by sections.

Mr. BROWN. I wished to be satisfied that in conference we would have the right to go into the question and endeavor to reach an agreement satisfactory to every one concerned, even accomplishing the very difficult task of satisfying the Senator from Montana.

Mr. WHEELER. Mr. President, it is difficult to satisfy the Senator from Montana when Senators rise in their places

and try to discriminate against the people whom I in part represent. I am not concerned with whether or not my attitude dissatisfies anyone. I am trying to help the poor devils who live on farms in Montana, North Dakota, and other States, and who have suffered more than almost any other class of people in the United States. Goodness knows, they have few voices to speak for them in the Senate. If I am to be criticized for raising my voice in defense of the poor wheat farmer, living in a hovel and slaving from morning until night, I am perfectly willing to take the criticism.

Mr. BROWN. The Senator from Michigan has as much concern for the farmers of Montana as has the Senator from Montana for the farmers of Michigan.

Mr. WHEELER. However, in Michigan there is diversified farming.

Mr. BROWN. We have a very diversified State. Let me say that I do not regard myself as representing only the corn farmers or the wheat farmers or labor or industry; in this matter I am endeavoring to represent the people of the United States.

Mr. WHEELER. There are some persons who take it upon themselves to feel that they, only, represent the people of the United States. I say that I am representing the people of Montana and that I am trying to represent the people of the United States. The other day I heard the Senator say that the President, only, represented the people of the United States, and that the Members of the Senate represent only selfish interests in their own States.

Mr. BROWN. No; I made no such statement whatever.

Mr. WHEELER. Then I misinterpreted the Senator's statement; but if that inference was not carried in the Senator's statement I do not know what was.

The reason the founding fathers set up a House of Representatives and a Senate that they wanted the composite views of the Members of Congress to decide such questions as those now confronting us, because they believed that the Members of Congress would be closer to the people of the country than the President of the United States could be.

Mr. BROWN. I do not disagree with that principle at all.

Mr. WHEELER. When a Member of the Senate says we must let the President of the United States do everything under the sun, and that the Senate is not competent to act, I say that he who makes such a statement is advocating the setting up of a Fascist government in this country. I frankly say to the Senator and to the people of the country that I entertain the fears expressed the other day on the floor of the Senate by the senior Senator from Wisconsin [Mr. LA FOLLETTE] when he said that in the United States of America we are headed as fast as we possibly can be toward some form of fascism—not because the President of the United States wants to do so, for I do not think he does, but all over the world the trend is toward dictatorship and one-man power. I deplore the fact that there is

in this country a great and growing sentiment in favor of having Congress submit everything to the President.

Mr. BROWN. It seems to me that the Senator from Montana uses whatever remarks I make about wheat, corn, or anything else as a springboard in order to make an attack on the remarks I made the other day and to make an attack on the President of the United States.

Mr. WHEELER. Does the Senator from Michigan say that I made an attack on the President?

Mr. BROWN. I rather think that in his attitude the Senator is quite critical of the President.

Mr. WHEELER. Mr. President, it would seem that no one can say anything in disagreement with the views of the President without being charged with attacking the President. I am not attacking the President in the slightest degree. I said that at the present time the whole trend in the country is toward concentrating the powers of the Government in the hands of one man.

In time of war we have to do a great deal of that sort of thing; but after the war is over we shall face a crisis in this country, and the cry will go forth that the Congress should turn over more and more power to the administrative authorities.

Mr. BROWN. The Senator from Montana will find me fighting on his side when that time comes.

Mr. WHEELER. Exactly; I have not the slightest doubt that the Senator from Michigan will be fighting on my side, because I know that the Senator from Michigan is just as much in favor of preserving a representative form of government in a democracy as I am; and I believe that the vast majority of the Members of the Senate and the Members of the House of Representatives have the same feeling.

I have referred to current trends. The newspapers are constantly attacking the Congress, and are saying that it is controlled. The tendency is to try to discredit Congress, because there is an attempt to concentrate power in the hands of the Executive. Mr. President, I feel that if in the future present trends continue to develop we shall have in this country a Fascist government, even though today we are fighting fascism throughout the world.

Mr. BROWN. Mr. President, under all the circumstances, in view of the attitude expressed by the Senator from Alabama [Mr. BANKHEAD], the Senator from Illinois [Mr. LUCAS], the Senator from Iowa [Mr. GILLETTE], the Senator from Montana [Mr. WHEELER], and other Senators, and in view of the fact that it is apparent that we can work out the matter in conference, I ask my friend and colleague the junior Senator from Nebraska [Mr. BUTLER] if he does not think it would be wise to withdraw his amendment?

Mr. BUTLER. I shall abide by the counsel and advice of the chairman of the Banking and Currency Subcommittee if he desires that I do so.

The PRESIDING OFFICER. Does the junior Senator from Nebraska withdraw his amendment?

Mr. BUTLER. Yes; I withdraw it.

Mr. DANAHER. Mr. President, one thing said by the junior Senator from Michigan has forcefully struck me. A few minutes ago he offered an agreement in the names of the chairman of the Committee on Banking and Currency, the senior Senator from New York [Mr. WAGNER], the majority leader, the Senator from Kentucky [Mr. BARKLEY], and himself, all of whom, as he knows, will be conferees, to protect the interests of the senior Senator from Alabama [Mr. BANKHEAD]. I do not know the nature and scope of the proposed agreement, but I do know that when I read the House measure and see in it the provision that the 90-percent-loan rate is to be continued for 3 years after the war, and when I hear the Senator from Michigan and the Senator from Kentucky talk about striking out all the Senate measure and substituting the House measure therefor, I wish to know to what extent they intend to go. We have had no testimony before the Committee on Banking and Currency with respect to the very amendment which is in the joint resolution. We do not know whether it is wise, proper, and prudent to guarantee that the basic commodities shall receive a 90-percent-loan rate, and that it shall continue for 3 years after the war.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. BROWN. I do not know whether the Senator intentionally misstated the matter; but let me say that the proposed parliamentary procedure is that in the House measure we strike out all after the enacting clause, and substitute provisions of the Senate measure for the part stricken out.

I am advised by parliamentary authorities, including our own, and by various Senators, including the Senator from Alabama [Mr. BANKHEAD] and the Senator from Kentucky [Mr. BARKLEY], that we shall have open to us the entire question of the 90-percent floor, so called. I did not include the Senator from Connecticut [Mr. DANAHER], and the Senator from Ohio in my list of conferees, because that is a matter for the minority to settle among themselves; but I happen to know who will be the conferees for the majority. I know the views of the Senator from Connecticut. I think they are in entire accord with my own. However, I am in a difficult position. I want to save the American people \$650,000,000 if I can do so; and apparently there is very strong indication that we may be able to do so.

Mr. DANAHER. Let me ask the Senator from Michigan a question. When he speaks, as he purports to do, only for the majority conferees whom he already knows, and when he says he will protect the interests of the Senator from Alabama, is it his purpose to go into the conference and to accept the proposal that a 90-percent loan rate be guaranteed for 3 years after the war? Is that a part of his proposal?

Mr. BROWN. No; I did not say that.

Mr. DANAHER. When the Senator says it is his intention to protect the

interests of the Senator from Alabama, is that what he means he will do?

Mr. BROWN. I intend to protect the interests of the Senator from Alabama "as is."

Mr. DANAHER. The Senator from Michigan does not mean to protect the Senator from Alabama or anyone else by accepting the proposed provision for a 90-percent loan rate to be guaranteed for 3 years after the war, does he?

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. BANKHEAD. The Senator from Connecticut is a member of the committee, and he knows that in the committee I withdrew that part of the amendment, and did not even submit it to the committee.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. BROWN. The Senator from Connecticut knows that it is a little unusual to be so frank about such matters on the floor of the Senate, but I have stated the matter openly.

Mr. DANAHER. We are being so frank that I should like to ask whether the Senators in charge of the pending measure made an agreement with the Senator from Alabama that the 90-percent loan rate would be included in the joint resolution as a concession on their part in order to secure its passage.

Mr. BROWN. No; I never made any such agreement.

Mr. DANAHER. How did the provision get into the joint resolution?

Mr. BROWN. I voted for it because I thought that it was desirable to have a 90-percent floor in the joint resolution in order to encourage Senators representing farm States to go along with the measure, as they have done.

Mr. DANAHER. What the Senator from Michigan really means is this; is it not? He wants section 1 of the joint resolution, and he wants it so much that he would make this concession to the Senators from the States affected in order to persuade them to go along with the measure. Is not that the case?

Mr. BROWN. My idea is that if I can save the American people from an increase of \$650,000,000 in their meat bill I want to do so. That is why I have been talking for the last hour.

Mr. DANAHER. Is it not a fact that if we were to agree to the amendment submitted by the Senator from Nebraska [Mr. BUTLER] we should save the American consumers \$650,000,000 a year?

Mr. BROWN. Certainly; but it was quite obvious that the amendment offered by the Senator from Nebraska would not be agreed to.

Mr. DANAHER. It is equally obvious that the Senator from Michigan has asked the junior Senator from Nebraska to withdraw his amendment which would have saved the consumers \$650,000,000.

Mr. BROWN. The amendment of the Senator from Nebraska would not have been agreed to.

Mr. DANAHER. Is the Senator's action in connection with the amendment also in the interest of getting Senators to go along with the measure?

Mr. BROWN. I am perfectly willing to leave to the Senate the matter of judging as to my fairness.

Mr. DANAHER. I have no criticism of the Senator's fairness, Mr. President; my criticism is that he has been too fair. [Laughter.]

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WHEELER. It would seem to me that it is quite apparent from the statement of the Senator from Michigan that what was to happen was that in conference a concession was to be made to the cotton farmers, but that the poor wheat farmers in Montana would have their throats cut because the Senator from Michigan wants to protect the consumers in the East. After all, the farmer is a consumer, just as he is a producer. Many persons forget that fact. Let me say that if the conferees go into conference and proceed to give the cotton farmer 90-percent loans, but do not give them to the wheat farmers, they will hear from sections of the country that they would wish they had not heard from, for already the wheat farmers of the Northwest feel that they have been discriminated against by the legislation which has been passed, and they likewise feel that they have been discriminated against by the administration, because they believe that the cotton farmers are getting the best of it.

We have never asked anything for the wheat farmers of Montana and other wheat farmers in the Northwest, but have gone along with the cotton farmers and the tobacco farmers and the corn farmers time in and time out. We do not expect, however, to have things juggled so that when it comes to 90-percent loans we will be left out in the cold. Anyone who has any common sense at all knows, I repeat, that the price of wheat has very little, if anything, to do with the price of bread or the price of pastries, and to say that the wheat farmers of the country are responsible for inflation is sheer nonsense.

Mr. DANAHER. Mr. President, did the Senator from Montana perceive any extension by the Senator from Michigan of his agreement to the Senator from Nebraska to protect him in conference? I do not think the Senator from Montana is necessarily justified in thinking that the majority conferees are going to give to the Senator from Nebraska any special consideration.

Mr. WHEELER. It was certainly not said to the representatives of the wheat farmers that they would receive any special consideration in the conference, but it was said to the Senator from Alabama, "We will see that you are protected in your 90 percent loans." If the cotton farmer is to be protected with reference to his 90 percent loan then I want the farmers of my State protected in the same way.

Mr. DANAHER. The truth of the matter is that every word of section 8 should be stricken from the joint resolution. Then there would remain the guaranty already existing in the statute under the amendment of 1941. There would be included the basic commodities,

there would be included all comparable commodities, and there would be included all commodities for whose expanded production the Secretary of War may call.

May I ask the Senator from Illinois, in view of the parliamentary situation which has developed by the withdrawal of the amendment previously suggested by the Senator from Nebraska, is it his purpose now to offer his proposed amendment in line 19 on page 6?

Mr. LUCAS. I will say to the Senator from Connecticut it is my intention to do that.

Mr. DANAHER. I think it is so desirable an amendment that I wish to offer in advance the assurance of my support. In making that statement I do not purport to represent any group of minority conferees or to extend an agreement in their name, but I am very greatly in favor of the amendment.

Mr. BUTLER. Mr. President, I wish to say a word before this matter is entirely closed. I desire to state for the Record that there was positively no understanding as to what would take place in conference, so far as I was concerned, in regard to the matter mentioned in my amendment or in any other amendment. It was offered in the interest of unity and harmony, and it was withdrawn in the same spirit when it became apparent that it would not accomplish any good. Like the Senator from Connecticut, I am happy that the Senator from Illinois will present his amendment later on.

Mr. LUCAS. I ask that the amendment offered by me be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 6, line 19, it is proposed to strike out the word "The" and in lieu thereof to insert:

If the President determines that loans at the rate provided for in this section will aid in the effective prosecution of the war, the—

Mr. LUCAS. Mr. President, this amendment has been briefly discussed by various Members of the Senate. It proposes to do only one thing, and that is, insofar as legislative action is concerned, to place all the farmers raising the basic commodities upon the same plane. That is the effect of the amendment, and in nowise would it increase the cost of living to the consuming public of America.

The \$650,000,000 that has been bandied around in this debate will not be there unless the President of the United States himself wants to increase the loans permitted to the wheat and corn farmers to 90 percent, and if the President should want to increase the loan value of cotton to 90 percent he would have a right to do so under the amendment.

Mr. NORRIS. Mr. President—

Mr. LUCAS. I yield to the Senator from Nebraska.

Mr. NORRIS. I did not quite understand the amendment, in view of the Senator's explanation of it. As I understand the amendment as read, it merely proposes to strike out the word "The." Is that correct?

Mr. LUCAS. I suggest that the clerk read the amendment for the benefit of the Senator. I have not a copy of it on my desk.

The PRESIDING OFFICER. The clerk will again state the amendment.

The CHIEF CLERK. On page 6, line 19, it is proposed to strike out the word "The", the first word in the line, and in lieu thereof to insert:

If the President determines that loans at the rate provided for in this section will aid in the effective prosecution of the war, the Commodity Credit Corporation—

And so forth.

Mr. NORRIS. That would necessitate an amendment on page 7, would it not?

Mr. LUCAS. Mr. President, I do not think any other amendment at all will be required. The amendment offered by me simply states that if the President, in his discretion, in the interest of the war effort, believes it advisable and necessary to increase the loan up to 90 percent upon the basic commodities, he shall have the right and power to do so. In other words, the loan value, in all cases, is now 85 percent, and, instead of making it mandatory to increase the loan value upon any basic crop by the legislation we have been discussing, my hope is to leave the basic commodities in the present category at 85 percent insofar as loans are concerned. If the President so desires and believes it to be essential in the prosecution of the war to increase the loan from 85 to 90 percent on these commodities he shall have the power under this amendment to do so.

That is all there is to it. It is fair, it is elemental, and everyone can understand it. The President can understand it, and the country will understand it. That is the chief reason for my offering the amendment.

I do not want it said in my section of the country that the Congress of the United States, in this hour, discriminated against any particular section of the farm segment of this country. That was my fear of the Butler amendment. That should not happen in conference. I want to place all on the same basis. If there is some valid reason, in the prosecution of this war, and the President so finds in an order he might issue, why the price of cotton insofar as loans are concerned should go to 90 percent, well and good; the Senator from Illinois would favor it. If the President determines, in the course of the conduct of the war, which may last 2, 3, 4, or 5 years—no one knows—that the price of corn should go to 90 percent or the price of wheat should go to 90 percent insofar as loan value is concerned, then, I want him to do that; I want him to have that power. That is all there is to the amendment. It seems to me that no one should seriously object to it. I ask for a vote on the amendment.

Mr. BANKHEAD. Mr. President, it seems to me that the statement can be made just as strong on the other side that no one should insist upon putting the responsibility on the President of making selections between these commodities. I think it would be a great imposition on the President. It would be naturally disturbing to him, if he decided that this loan should be placed on corn in order to increase and encourage production, to leave other commodities out, even though he thought possibly that it was not necessary for those commodi-

ties to be included. I think it is an unfair position in which to put the President, compelling him to make a choice of that sort, or such a decision as between commodities.

In the next place, putting a floor under a commodity has a purpose in addition to the fixation of price. It serves an additional purpose in that it provides financial facilities to the farmer, without risk of loss, to carry his cotton or wheat or corn until a later time, if in his judgment the price will thereafter be increased.

We should not forget that all the primary basic commodities under discussion—corn, wheat, and cotton—are now below parity in price. If a producer of those commodities believes that in due course, with a rising trend of prices elsewhere, the price of one of the commodities will go to parity—and it could not go higher under the pending measure—then the Government will have provided a loan system to enable the farmer to finance without risk of loss if the price of the commodity falls.

Mr. President, that is a valuable asset to the farmer. It not only enables him to carry the commodity, but it helps the producer to carry out an orderly marketing program.

All of us who are really diligently and seriously investigating this problem, and have been interested in the problem, know that one of the great burdens on the farmer, so far as financial returns are concerned, is the necessity on the producer of wheat, for instance, of marketing his entire crop within 3 or 4 months' time during the marketing season. Of necessity, that means a dumping program, dumping the commodity on the market, because for immediate needs only a small portion of the crop is required by the millers. The rest of it, generally much more than half, will be needed later in the year.

The farmer has no way of carrying his wheat except through a Government loan. If he does not get a Government loan high enough to provide him sufficient finances to meet his taxes and his pressing financial obligations, he can not avail himself of the loan, he, with the other farmers, has to dump the commodity into the market, and the more that is put into the market the lower the price is pressed down.

There is another advantage. We are now struggling with the great problem confronting the farmers of obtaining sufficient labor to produce crops. That condition will grow worse, as we all know. If we have a respectable loan figure, then the farmer can make his commitments in the matter of labor; he can proceed to the employment of labor at a price, forsooth, which he cannot afford to pay without too much financial risk, by having a loan level which will enable him at least to meet the labor obligations he is financing.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. McFARLAND. In connection with the labor conditions, let me say that I have in my hand a circular which was sent to me by the Bureau of the Census,

Department of Commerce, in Washington. In the circular there is a statement as to the number of bales of cotton ginned in Arizona up to September 16, 1941, and the number ginned up to the same date in 1942. The number of bales ginned up to September 16, 1942, was 5,194, compared with 22,553 in 1941.

Two other States are listed. First, there is Florida, in which State, up to September 16, 1942, 9,501 bales of cotton were ginned, compared with 10,889 in 1941.

In Missouri the condition is somewhat similar to that in Arizona, although not quite so bad. Up to September 16, 1942, there had been ginned in Missouri 41,540 bales, compared with 125,403 up to the same time in 1941.

Of course, those conditions are due to the lack of cotton pickers in the States I have mentioned.

Mr. LANGER. Will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LANGER. I wish to call the distinguished Senator's attention to certain proceedings which took place on the floor of the Senate on August 4, 1917, during the first World War, which absolutely bear out what the distinguished Senator from Alabama has said.

On page 5801 of the CONGRESSIONAL RECORD for that date, Senator Reed, of Missouri, was speaking, and he made exactly the same argument that has been so ably made by the Senator from Alabama. He objected to a proposition which was pretty much like the one the Senator from Illinois has made. He referred to the attitude of a numerous class of people, and quoted them as saying:

Put the responsibility upon the President, and if there be failure it will be the President's fault.

He objected to it, and then he said:

See what we are up against.

At that time Mr. Hoover was Food Administrator. He issued a statement every few days concerning the price of food and Senator Reed read one of those communications showing what the price of food was on July 22, 1917:

News from London received today, was to the effect that the food controller of Great Britain has been able to modify the order which restricted the use of potatoes to 1 day a week in hotels, restaurants, and clubs. Potatoes may now be served any day in the week instead of on Friday alone.

The new order was issued because supplies of new potatoes are increasing, and also for the reason that their use will help conserve bread. It is intimated that at the meals at which potatoes will be permitted to be used bread may be omitted or will be served in reduced quantities. New potatoes are now selling in London at 8 cents a pound, or \$4.80 a bushel.

Then he proceeded to read the following:

Reports from Budapest, Hungary, reaching here indicate that the population of the provinces have been not far from famine conditions. The majority of the people of these provinces actually live on vegetables, for meat is only for the very rich, and the vegetable supply is seemingly very limited. The country provinces, insofar as possible, have apparently been drained to supply the

needs of the Army in the field and the large centers of population where trouble might be feared.

The information received stated that the venders were demanding exorbitant prices for dry wood and withered leaves on the ground that they were vegetables. Green peas were selling at \$1.45 a kilogram.

A kilogram is two and a quarter pounds. That is \$1.45 for two and a quarter pounds of green peas.

Milk was absolutely not to be had for cream. An unappetizing liquid, which was once skimmed milk, cost 60 cents a pint. There was no butter or cheese. Cherries were 86 cents per pound. The principal stock seemed to consist of dried peas and dried plums. Young chickens were selling at \$2.50. In the egg market were found only empty boxes. Potatoes were not to be had.

Conditions as stated by the informant were for June 15. Shortly following that date the authorities sought to arbitrarily fix the price of vegetables at about half the venders were asking.

Now, notice what happened in Hungary.

This resulted in a strike, so that in the great market places no foodstuffs were to be had.

The reports state that lunch cannot be purchased in any restaurant for less than \$5. Three pounds of meat for \$5; olive oil \$10 per quart; butter \$5 per pound.

That is Mr. Hoover speaking. Those are the conditions he found on that date when he was food administrator for the United States, at the time he was asking for a food-control bill.

I suggest that it might be wise for the Committee on Agriculture and Forestry, or whoever is going to have charge of the food situation, to read what Mr. Hoover had to say on that date and on different dates thereafter. It bears out what the Senator said a few moments ago, that if the pending amendment shall be adopted, it will place all responsibility on the President, and God knows he already has enough.

Mr. BANKHEAD. Mr. President, I thank the able Senator from North Dakota for his helpful suggestion.

We are approaching the closing consideration of the pending measure. I have not taken much time of the Senate, notwithstanding my very deep interest in the entire subject. We are about to vote authorization for an increase in industrial wages since January 1, 1941, of 15 percent, a staggering amount of money compared with 5 percent on a few agricultural crops. We are authorizing, in the face of widespread criticism and denunciation of our farmers by publicists, radio commentators and editors, an increase of billions upon billions of dollars to industrial employees. While authorizing that increase we have voted to take away from the farmers a possible average of 15 or 16 percent of their parity, and cutting them down in the main to the level of parity. To one group we are authorizing a tremendous increase. I am not criticizing that. I have not gone into that subject. I am not against the industrial laborer. My heart is with the production worker, whether he is producing in the mines or in the factories or in the fields. But are we looking at this subject rightly? Are

we giving the farmers of the country decent treatment? While we are bringing the farmers down on an average 15 percent, we are letting labor go up 15 percent, notwithstanding the tremendous disproportion in the increase in earning power during the last few years between agricultural and factory workers.

Mr. President, I wish to take this occasion to commend the leaders of the agricultural organizations, not only for their loyalty to those whom they represent, for their earnest and active efforts, but for what they did today. When the matter came to a climax today these leaders manifested a most patriotic spirit. I was one closely interested and taking active part in the negotiations which led to the settlement, and I will say that I have never seen a group of men manifest a better and more loyal and patriotic spirit than that entire group which met in the committee room of the Committee on Agriculture and Forestry this morning. They finally with one accord agreed that they wanted the matter settled as best it could be settled, with fairness and justice to the farmer; they wanted friction between the President and Congress eradicated. They wanted to agree to any program that was fair. Although they had won a battle in a yea-and-nay vote on the floor of the Senate, they, in a true spirit of patriotism, wanted to accept any moderate compromise that would bring the contending forces together. Senators know how well that was finally done, how effectively it was done. Senators know that that was not due to any of us on the floor of the Senate, but was due to the leaders of farm organizations who have been here and who are here today carrying on this fight in the interest of agriculture.

We have now before us a little measly matter, compared to increases which have been made in other directions. We have before us the proposal of a 5-percent increase in loan price. Do you not think, Mr. President, that the farmers deserve it, even though the increase were added to the market price of the farmers' products? Do you not think, in the light of all the developments which have taken place, that the farmers are entitled to that little raise? It will represent the only thing the farmers will get out of the joint resolution. It will be the only thing in it of particular value to the farmers. Their ceilings have been withdrawn. The President recommended in his message to Congress, as a consideration for that action, that we put floors under the farm prices. He did not mean the floors we already had. We had floors. It was not necessary to make any reference to what we already had. He was recommending affirmative action.

In the conference I mentioned, which took place this morning and which was attended by the majority leader and by the Senator from Michigan [Mr. Brown] in charge of the joint resolution, and others, it was stated that the President either had mentioned or had agreed to a loan rate of 90 percent, and I adopted that suggestion, because I thought in doing so I would be going along with the

President in the right spirit. I did not anticipate any sort of opposition to that little increase.

Mr. President, that small increase will be of some help to the farmers to finance their current debt if they are not ready to sell their produce. It will help them to carry cotton so it will not be necessary to dump it on the market and thus drive the prices down. It will help the farmers at a time when buyers are not in the market for their crops, a crop in excess of the ordinary crop, for who is going to buy that excess? It will help the farmers to carry the crop and later sell their cotton at a decent sort of price.

Mr. President, we now have on hand the greatest amount of cotton we have ever had, 24,000,000 bales, whereas the demand is for only about 12,000,000 bales. There are also surpluses in grains. Who is going to buy all those staggering surpluses? If the farmers cannot hold them and must sell, the price will go down greatly. With such a situation existing, speculators, investors, or whatever one may call them, could not buy with any hope of substantial profit. There is very little hope for the market price to go up, with such great quantities on hand, unneeded, and with no demand for them.

So I say, Senators, there ought not to be any caviling about this little item of 5 percent.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. McNARY. I wish to ask the distinguished Senator from Alabama if the language on page 8, in lines 4 and 5, refers to cotton loans only.

Mr. BANKHEAD. Oh, no; there is no mention about cotton loans only. There is nothing in the joint resolution that distinguishes between the basic agricultural commodities. They are all included in it. The amendment is a copy of the 85-percent-loan measure which the Senate passed, as I stated awhile ago, with only two votes against it.

Mr. McNARY. I thought so, but the able Senator from Illinois [Mr. LUCAS] was attacking it on the ground that it provided for 90 percent for cotton only, and 85 percent for wheat.

Mr. BANKHEAD. The Senator from Illinois misunderstood the situation. The Senator from Nebraska [Mr. BUTLER] had offered an amendment to leave the matter up to the President.

Mr. McNARY. Yes.

Mr. BANKHEAD. The measure applies to all commodities exactly alike, the same as the present loan law does.

Mr. McNARY. What then is the necessity for the amendment offered by the Senator from Illinois?

Mr. BANKHEAD. I do not understand it myself. I hope the Senate will vote down his amendment. He wants to leave the matter entirely in the hands of the President. That is what he wants to do with respect to all the commodities, whereas we want a mandatory loan provision such as we have at the present time. The Senator from Illinois wants to put the burden in the lap of the President, to pick out the commodities he thinks ought to have a loan. That is the Senator's proposition.

Mr. President, in conclusion, I wish to say that I hope very much that the Senate will not take this little provision out of the joint resolution. It represents the only thing of encouragement to the farmer, the only thing of financial help to them, the only thing which will help their morale. Yet we find Senators who wish to take it out of the measure.

Mr. LEE. Mr. President, I thought we had reached an agreement with respect to the joint resolution, but now we find before us an amendment offered by the Senator from Illinois [Mr. LUCAS] which raises a question on which I thought we had agreed.

Mr. President, I rise to oppose the Lucas amendment. The effect of this amendment is to nullify the provision of the resolution which guarantees a price floor to farm commodities at 90 percent of parity. This floor is already well below parity. Therefore, why should we lower it still more? If parity represents a fair price why should we expect the farmer to produce for a price which is 10 percent below a fair price? I do not believe the people of this country want the farmer to feed and clothe them at 10 percent below a fair price. This provision in the joint resolution which the Lucas amendment seeks to change would fix a floor under the price of farm commodities at 90 percent of parity. My idea of a floor is something solid, on which one can stand, not something which goes down every time one steps on it. The amendment of the Senator from Illinois would take up the floor and substitute a net of some kind, or cover the space formerly occupied by the floor with rubber, so that it would not be a floor at all. When a farmer stepped on it he would go down.

This provision in the joint resolution which fixes the floor of farm prices at 90 percent of parity is a little piece of cake for the farmer. He has opened his mouth to receive it; but now after he has opened his mouth and the cake is in it, and he is now ready to close down on it, we are about to snatch it away from him.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. LUCAS. The Senator voted against the Thomas amendment, did he not?

Mr. LEE. I did, because I wanted to make way for an amendment which I thought would be of more help to the farmer.

Mr. LUCAS. According to the arguments made on the floor of the Senate, there was a good deal of cake in the Thomas amendment.

Mr. LEE. In my opinion there was more cake in the Barkley amendment.

Mr. President, I shall vote against the pending amendment. The joint resolution as it stands is acceptable to those who will have to administer it, and I will not yield to any further whittling down of the farmer's prices.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. LUCAS] to the committee amendment on page 6, line 19.

Mr. TUNNELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Overton
Andrews	Green	Pepper
Austin	Guiley	Radcliffe
Bailey	Gurney	Reed
Ball	Hatch	Reynolds
Bankhead	Hayden	Rosier
Barbour	Herring	Russell
Barkley	Hill	Schwartz
Bilbo	Holman	Shipstead
Bone	Johnson, Calif.	Smathers
Brewster	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Tunnell
Chandler	McKellar	Tydings
Chavez	McNary	Vandenberg
Clark, Idaho	Maloney	Van Nuys
Clark, Mo.	Maybank	Wagner
Connally	Mead	Wallgren
Danaher	Millikin	Walsh
Davis	Murdock	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	
Gerry	O'Mahoney	

The PRESIDING OFFICER. Ninety-one Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. LUCAS] to the committee amendment on page 6, line 19.

Mr. LUCAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois. [Putting the question.] The "noes" appear to have it.

Mr. VANDENBERG. Mr. President, I ask for the yeas and nays.

Mr. McKELLAR. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. McKELLAR. Does not the request come too late?

Mr. VANDENBERG. The announcement has not yet been made by the Chair, has it?

Mr. McKELLAR. Oh, yes; it has.

Mr. VANDENBERG. I am sorry; the announcement was not made by the Chair.

Mr. McKELLAR. We will leave it to the Chair.

The PRESIDING OFFICER. The Chair did not finish the announcement.

Mr. VANDENBERG. Certainly not. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Missouri [Mr. TRUMAN] and will vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW], the Senator from Virginia [Mr. BYRD], the Senator from North Carolina [Mr. BAILEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Indiana [Mr. VAN NUYS] and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from Pennsylvania [Mr. GUFFEY], and the Senator from Florida [Mr. PEPPER] are detained in Government departments.

The Senator from Missouri [Mr. TRUMAN] has been called to his State on important public business, and is therefore necessarily absent.

Mr. AUSTIN. The Senator from Oregon [Mr. McNARY] is temporarily detained on business of the Senate.

The result was announced—yeas 31, nays 50, as follows:

YEAS—31

Alken	Herring	Smathers
Ball	Holman	Taft
Barbour	Johnson, Colo.	Tobey
Bone	La Follette	Vandenberg
Brewster	Lodge	Wallgren
Burton	Lucas	Walsh
Butler	Maloney	White
Danaher	Mead	Wiley
Davis	Norris	Willis
Gerry	Nye	
Gurney	Reed	

NAYS—50

Andrews	Ellender	O'Mahoney
Austin	George	Overton
Bankhead	Green	Radcliffe
Barkley	Hatch	Reynolds
Bilbo	Hayden	Rosier
Brooks	Hill	Russell
Brown	Kilgore	Schwartz
Bunker	Langer	Smith
Capper	Lee	Spencer
Caraway	McCarran	Stewart
Chandler	McFarland	Thomas, Idaho
Chavez	McKellar	Thomas, Okla.
Clark, Idaho	Maybank	Thomas, Utah
Clark, Mo.	Millikin	Tunnell
Connally	Murdock	Tydings
Downey	Murray	Wagner
Doxey	O'Daniel	

NOT VOTING—15

Balley	Glass	Pepper
Bridges	Guffey	Shipstead
Bulow	Hughes	Truman
Byrd	Johnson, Calif.	Van Nuys
Gillette	McNary	Wheeler

So Mr. Lucas' amendment to the committee amendment was rejected.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2689. An act to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863 (12 Stat. 798); and

H. R. 7164. An act to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to extend the relief and benefits provided therein to certain persons, to include certain additional proceedings and transactions therein, to provide further relief for persons in military service, to change certain insurance provisions thereof, and for other purposes.

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the

LXXXVIII—481

RECORD as a part of my remarks two telegrams relative to the inclusion of farm labor in figuring parity.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

HANSON, MASS., September 28, 1942.

Senator HENRY CABOT LODGE,

Washington, D. C.:

Farm labor seriously short here and increasing in price. Urge you support amendment to include farm labor in figuring parity.

ALFRED G. LUNN,

Halifax, Mass., President, Plymouth County Farm Bureau.

RUSSELL STURTEVANT,

Halifax, President, Plymouth County Poultry Association.

EBEN WOOD,

West Bridgewater, President, Brockton Cooperative Egg Auction.

CLIFFORD CARLSON,

West Bridgewater, President, Plymouth County Agricultural Conservation Association.

HANSON, MASS., September 28, 1942.

Senator HENRY CABOT LODGE,

Washington, D. C.:

For past several days have contacted farmers and farm organization heads of State-wide organizations re inflation bill. You have our recommendations but it was the understanding farmers that President Roosevelt contemplated taking into account rising farm labor. In fact, most farmers were of opinion that parity contained provision for this. Now they know better, they are infuriated to hear current attack on farm organization leaders and farm Congressmen. We urge your support to inclusion of farm labor in parity formula.

CARLETON I. PICKETT,

Hanson, Mass., Chairman, Massachusetts Farm Bureau Committee on Price Relations.

The PRESIDING OFFICER. The question recurs on agreeing to the committee amendment.

Mr. WILEY. Mr. President, I offer an amendment on page 6, after line 18. The amendment is one which has been appended to several other measures. It simply states the law of the land. I send the amendment to the desk and ask that it be stated.

The LEGISLATIVE CLERK. On page 6, after line 18, it is proposed to insert a new paragraph as follows:

Provided, That there shall be no discrimination in the administration of the benefits of the Emergency Price Control Act on account of race, creed, or color and in the membership of rent, price, and rationing boards.

Mr. WILEY. Mr. President, let me state that, while I am not a member of the committee, I was present for several days during the consideration of the now pending joint resolution. At that time I heard the chairman of the committee say that certain considerations would be given. I shall not make an extended statement relative to the amendment. It speaks for itself. We have heard a great deal about unity and about what should be accomplished by the pending measure. At this time I desire to congratulate those Members of the Senate who thus far have brought about unity by their action relative to the pending measure.

By agreeing to the amendment we should again say to the country that we expect that everyone on every front will be given a square deal.

I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. WILEY].

The amendment was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The CHIEF CLERK. On page 7, after line 19, it is proposed to insert the following new section:

SEC. 9. (a) Section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes," approved July 1, 1941 (U. S. C., 1940 ed., Supp. I, title 15, sec. 713a-8), is amended—

(1) By inserting after the words "so as to support" a comma and the following: "during the continuance of the present war,"

(2) By striking out "85 percent" and inserting in lieu thereof "90 percent."

(3) By inserting after the word "tobacco" a comma and the word "peanuts."

(b) The amendments made by this section shall, irrespective of whether or not there is any further public announcement under such section 4 (a), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such section 4 (a).

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The CHIEF CLERK. On page 8, after line 13, it is proposed to insert the following new section:

SEC. 10. When used in this joint resolution, the terms "wages" and "salaries" shall include additional compensation, on an annual or other basis, paid to employees by their employers for personal services (excluding insurance and pension benefits in a reasonable amount to be determined by the President); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. NORRIS. Mr. President, I send to the desk the amendment which I offer and ask to have stated.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. On page 2, line 6, it is proposed to insert the following:

Provided, That rates charged by any common carrier or other public utility on September 15, 1942, shall not be increased without the consent of the President: *Provided further*, That nothing in this section shall be construed as affecting the power or authority of any Federal, State, or municipal authority

or agency to reduce prices, rates, or charges subject to its jurisdiction.

Mr. NORRIS. Mr. President, I understand that the Senator from Michigan [Mr. Brown] is favorable to the amendment and has no objection to it. I have submitted the amendment to him, and I have had several conferences with him regarding it.

Mr. BROWN. Mr. President, will the Senator yield to me so that I may make a brief statement relative to the amendment?

Mr. NORRIS. I yield.

Mr. BROWN. Insofar as the Senator from Michigan is personally concerned, he believes that the amendment offered by the Senator from Nebraska should be agreed to.

Let me say that the matter was covered by language contained in the original joint resolution relative to an over-all type of regulation of public-utility rates. The matter was submitted to the committee, and was stricken from the measure by the committee.

The Senator from Michigan then stated to the committee that if he were in charge of the bill and if the amendment which has just been offered were offered by the Senator from Nebraska, the Senator from Michigan would personally state that he favored the amendment.

Mr. President, I am not speaking for the Committee on Banking and Currency. I am speaking for myself.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. Norris].

Mr. GILLETTE. Mr. President, I ask that the amendment be again stated.

The PRESIDING OFFICER. The amendment will be again stated.

The LEGISLATIVE CLERK. On page 2, after line 6, it is proposed to insert the following:

Provided, That rates charged by any common carrier or other public utility on September 15, 1942, shall not be increased without the consent of the President: *Provided further*, That nothing in this section shall be construed as affecting the power or authority of any Federal, State, or municipal authority or agency to reduce prices, rates, or charges subject to its jurisdiction.

Mr. McKELLAR. Mr. President, I ask the Senator from Nebraska to look at the text in the seventh line of the amendment. I call his attention to the language that—

That this joint resolution shall not be construed as affecting the power or authority of any Federal, State—

And so forth.

Mr. NORRIS. Mr. President, that language was changed by me at the suggestion of the Senator from Michigan. I changed it so as to read—

That nothing in this section shall be construed as affecting the power—

And so forth. Instead of using the term "joint resolution," I use the word "section."

Mr. McKELLAR. That is not what I am referring to. There are many cases in which the question of the equalization of rates has come up before the Inter-

state Commerce Commission and other authorities. Several such cases are in court. I ask whether the Senator would agree that after the word "reduce" there be inserted the words "or equalize prices and rates."

Mr. NORRIS. I do not see any objection to the Senator's suggestion.

Mr. McKELLAR. I rather think the language would meet any objection which anyone could raise to the amendment.

Mr. NORRIS. Of course, the object is to make certain that nothing in the section shall interfere in any way with the jurisdiction over prices, rates, or charges of any commission, anywhere—State, National, or municipal.

Mr. McKELLAR. The Senator does not say "court" but he provides, in the first proviso, that "rates * * * shall not be increased without the consent of the President."

Mr. NORRIS. Yes.

Mr. McKELLAR. I think that, out of an abundance of caution, after the word "reduce", we might put in the words "or equalize."

Mr. NORRIS. I have no objection to so modifying the amendment.

Mr. McKELLAR. I offer that amendment.

Mr. NORRIS. I will modify my amendment as suggested.

Mr. McKELLAR. That will be entirely satisfactory.

The PRESIDING OFFICER. The Senator from Nebraska modifies his amendment in line with the suggestion of the Senator from Tennessee.

Mr. BONE. Mr. President, may we have the amendment stated with the proposal of the Senator from Tennessee included?

The PRESIDING OFFICER. The amendment, as modified, will be read from the desk.

The LEGISLATIVE CLERK. On page 2, after line 6, it is proposed to insert the following proviso:

Provided, That rates charged by any common carrier or other public utility on September 15, 1942, shall not be increased without the consent of the President; *Provided further*, That nothing in this section shall be construed as affecting the power or authority of any Federal, State, or municipal authority or agency to reduce or equalize prices, rates, or charges subject to its jurisdiction.

Mr. BONE. Mr. President, may I ask the author of the suggestion what is meant by the word "equalize"? I do not know what the term means. In a somewhat extended experience in such matters I never before heard the word used.

Mr. McKELLAR. The Senator refers to the word "equalize"?

Mr. BONE. Yes; I have never heard that term employed in a power-rate case.

Mr. McKELLAR. I will say to the Senator that there has been a very great desire on the part of many people in his section of the country and mine to have freight rates equalized, and there are now pending before the Interstate Commerce Commission, and, as I recall, one or two in the courts, a number of cases proposing to equalize freight rates. I do not think those cases ought to be interfered with, and I do not think it is the purpose

of the proposal to do that. What we want to do is not to permit common carriers and other public utilities to increase their rates. Is not that right?

Mr. BONE. I understand that, but I am saying that, in the experience I have had, which has extended over a great many years, in connection with controversies over rates and rate structures, neither in the power field or the utility field have I ever heard that expression used, and I doubt if any Member of this body can tell exactly what it means.

Mr. McKELLAR. It is used in the case of common carriers.

Mr. BONE. If the amendment is meant to relate to common carriers, in connection with which the word has some specific meaning, that would be one thing, but when applied to public-utility or power rates it is almost without meaning in the vernacular of that business.

Mr. NORRIS. Mr. President, will the Senator from Tennessee permit me to make a suggestion to the Senator from Washington?

Mr. McKELLAR. I yield.

Mr. NORRIS. The amendment suggested by the Senator from Tennessee comes in the second proviso, and that applies to the reduction of rates or charges or equalizing rates, as the amendment is now modified, in cases pending before public-utilities commissions of which they have jurisdiction. Whether it means anything or whether it does not would not be injurious to the amendment, anyway, because it does not take away—and it is not desired to take away—the jurisdiction that any commission may have in a case now pending or which may hereafter arise.

Mr. BONE. Let me say to the Senator from Nebraska and to the Senator from Tennessee that I have no quarrel with the suggestion as applied to common carriers, but I say that it would only serve to confuse in relation to public-utility rates in the utilities and power field, for it has absolutely no meaning at all, legally or otherwise, in its practical operation to those fields.

Mr. McKELLAR. I have known, and I think the Senator must have known, a great many power rates to be unequal. We all know what "equalizing" means; at least I do; and I will be satisfied to have the rates equalized.

Mr. BONE. I think the Senator does not know what it means as applied to the power field. I suggest, if I may, that the reference be to common carriers. If the Senator will accept such a suggestion—and I assume that is what he has in mind because he suggests the equalization of freight rates; and I have no objection to that—I hope that change can be made. I make that suggestion. I would rather make the suggestion to the author of the amendment than I would to offer it myself, although, if need be, I will offer it.

Mr. McKELLAR. I do not see how it could be applied merely to common carriers.

Mr. BONE. I assure the Senator—and if there is any Senator who wants to say anything to the contrary, I assure him—that it cannot be applied to power rates. There is no such thing as equal-

ization in power rates. If there is a Senator in this body who will rise and point out to me where that theory has ever been applied, I will withdraw the suggestion. There never has been such a theory applied.

Mr. BROWN. Mr. President, may we have the McKellar amendment stated? I do not know what it is.

Mr. McKELLAR. I will be very glad to tell the Senator, if he will just look at the amendment.

Mr. BROWN. The Norris amendment?

Mr. NORRIS. Yes. In line 7, after the word "reduce," I suggested the insertion of the words "or equalize."

Mr. CONNALLY. Mr. President, will the Senator from Michigan yield for a question?

Mr. BROWN. I yield.

Mr. CONNALLY. I do not catch the significance of the amendment of the Senator from Nebraska. In the second clause he intends to preserve the jurisdiction of the regulatory bodies. I have not understood—I may be in error—that the pending measure initially intended to cover utility and railroad rates.

Mr. BROWN. The power to control common-carrier rates and public-utility rates was in the original measure, but it was stricken out by the committee.

Mr. CONNALLY. In the measure we now have before us, it was not intended to cover those subjects. What is the view of the Senator from Michigan as to whether or not the amendment of the Senator from Nebraska will, in its first clause, at least, by inference, give the price-fixing administrator authority over rates. It does not say to whom; it says they shall not be raised without the consent of the President.

Mr. BROWN. The power is in the President.

Mr. CONNALLY. Does not that necessarily imply that it has to go to the O. P. A.?

Mr. BROWN. I think not.

Mr. NORRIS. Mr. President, in the act, the pending joint resolution seeks to amend, there is a provision giving the President wide power, acting through the Price Administrator, to regulate prices. No power was given to him to control utility rates; I suppose on the theory that they were sufficiently governed and controlled by various kinds of commissions. But, nevertheless, the Price Administrator when he commenced operations and began to fix prices soon discovered that when he fixed the price of a commodity going into the cost of living he was powerless to fix public-utility rates because he had not such authority under the law.

He knew, and everyone else must have known, that the utility rates enter directly into the cost of living. So, starting out with that theory, he appeared before rate-making bodies and, in effect, said, "I have no authority to pass on these rates but I pray that you notice how it will interfere with my work if you increase utility rates. If these rates prevail they will knock the prices I have made on everything entering into the cost of living into a cocked hat." He could do nothing but plead with the utility bodies not to do it, and so far they

have not done it. He appeared many times. There has been pending for 2 or 3 weeks, and it has not as yet been settled, an application of the gas company of the District of Columbia.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. CONNALLY. I am not taking issue with the Senator. All I was inquiring about was as to whether or not in the first clause it is intended to keep the rate-making authority in the regulatory bodies, giving the President simply a power.

Mr. NORRIS. The proposal would simply give the President power.

Mr. CONNALLY. That is what I had in mind.

Mr. NORRIS. And he must have such power, Mr. President, if we are going to prevent inflation by fixing prices.

Mr. CONNALLY. I am not in disagreement with the Senator on that theory, but I wanted to have it made clear that it was not proposed to turn the matter over to the O. P. A. and oust the jurisdiction of the regulatory bodies.

Mr. NORRIS. No; that is not proposed.

Mr. BONE. Mr. President, let me suggest as an amendment to the proposal now pending that in line 7, after the word "reduce", that the words "or equalize" be stricken out, and that there be added to line 8 the words "or to equalize the rates and charges of common carriers."

Mr. NORRIS. Will that be satisfactory to the Senator from Tennessee?

Mr. McKELLAR. Yes.

Mr. NORRIS. It is satisfactory to me. I modify the amendment in order to accomplish that.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska as modified.

The amendment as modified was agreed to.

Mr. NORRIS. Mr. President, because this amendment will go to conference, and there may be some dispute about it, I desire to place in the Record some public documents which have a direct bearing upon it.

I had some correspondence with the Price Administrator in August respecting this subject. I wrote him a letter, and he replied. The letter and the reply were printed in the Record of September 10, at page 7344, but in order to have in the Record the letter of the Price Administrator in connection with a Federal Trade Commission letter which I shall submit later, I ask that my letter to the Price Administrator and his reply be printed at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letters were ordered to be printed in the Record, as follows:

AUGUST 11, 1942.

HON. LEON HENDERSON,
Administrator, Office of
Price Administration.

MY DEAR MR. ADMINISTRATOR: I have given some study to the various attempts of the utility companies (gas, telephone, and electric) to increase rates and to make application in the various States to the proper commissions for such increases.

These attempts have increased recently and I understand several States in the Middle West have allowed these increases. In other States applications have been made and are now pending. My recollection is that you participated in some of the hearings on such a petition and, late in June, a release was given by your office in which the public was informed that you had asked to intervene where an application for an increase of electric rates was pending before the Maine Public Utilities Commission at Bangor.

I am of the opinion that these attempts to increase rates have been influenced to some extent at least by the general belief that the pending bill in Congress would increase the taxes on these utility companies. In the Maine case your petition of intervention alleged that, if these rates were increased over the country indiscriminately, the result would be that your work in stabilizing prices would be greatly interfered with and that the result would be the "hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions and scarcities caused by or contributing to the national emergency."

You alleged that such increases made because of the increased Federal taxes "would be contrary to the intention of the Congress, inflationary in character and adversely affect the program and policies of the Office of Price Administration to stabilize prices."

I am interested in this subject because I believe that a general increase in utility rates, where it is not clearly shown that such an increase is necessary in the public interest, would not only be inflationary but would affect the program and policies of your organization and would make it practically impossible for you to stabilize prices.

The purpose of this letter is to ascertain, if possible, to what extent applications for such increases are coming in from over the country generally and, if they are coming in, what you are doing about the matter, and what you are able to do to prevent such increases.

It seems to me this subject is very important at this time because of the pending tax bill before the Finance Committee of the Senate. It is very possible that some legislation on this subject should be included in this proposal before it is enacted into law.

Your early reply will be appreciated.

Very truly yours,

G. W. NORRIS.

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., August 19, 1942.

HON. GEORGE W. NORRIS,
United States Senate, Washington.

DEAR SENATOR NORRIS: I was greatly interested in your letter of August 11 on the problem of utility rates and the program of this office and the National Government to stabilize commodity prices and the cost of living. The problem has been given special attention by this office in recent weeks and I shall be happy to supply you with information about our activities in that field and "to aid you in ascertaining to what extent applications for such increases are coming in from over the country generally and, if they are coming in, what we are doing about the matter, and what we are able to do to prevent such increases."

As you know, the Emergency Price Control Act exempts utilities and common-carrier rates and we are without power to fix such rates and charges. Nevertheless, we have deemed it necessary to participate in rate regulatory proceedings in our effort, not altogether unsuccessful thus far, to prevent increases in conflict with our basic program.

Let me refer briefly to some of the specific cases and problems we have recently encountered in this field. In April our attention was called to the 15-percent increase in

telephone rates made by the Northwestern Bell Telephone Co. in the State of Iowa. This increase, termed a surcharge by the company, was imposed on nearly all exchange and intra-State toll service. No regulatory agency whose permission must be first obtained for such rate increase in Iowa is provided for by the laws of that State. After obtaining the technical assistance of the Federal Communications Commission, we called the company in conference and requested it to withdraw this increase as it appeared that the higher rates were imposed in large part to offset estimated higher Federal income taxes. The company agreed to this request and subsequently withdrew a request for a rate increase of about the same character pending before the North Dakota commission, although it had earlier obtained the approval of the South Dakota commission for a similar increase in rates.

We are attempting to keep a close watch over other telephone-rate increase applications in various parts of the country. The American Telephone & Telegraph Co. has furnished us with a list of all such applications which have been made by its associated companies. I am glad to say that there are now relatively few such applications pending.

A somewhat more difficult problem with respect to telephone rates is presented in connection with the rates charged by the independent telephone companies because of their large number. We recently met with the executive committee of the United States Independent Telephone Association and explained our program to them. To the extent of our ability, we propose to scrutinize their requests for increases and participate in as many cases as possible.

Because of your lifelong effort to protect the public in their relations with the electric light and power industry, you may be especially interested in our work in the electric-rate field. It is true, as you suggest, we filed a petition for intervention in the Bangor Hydro-Electric rate case before the Maine Public Utility Commission. There, too, it appeared that the increase requested was because of projected higher Federal income taxes. Moreover, we were advised by certain paper companies, customers of the electric company, that if the power rate increase was approved, they would seek to have our maximum prices on paper and pulp increased. While conferences were pending with respect to the date of hearing, the company withdrew its application for an increase.

At the request of the Rural Electrification Administration, we participated in conferences with respect to a proposed increase in rates for electric energy sold by an electric company to a rural cooperative. Subsequently the company withdrew its request for higher rates.

Among other power-rate cases now receiving our attention is the Niagara Falls Power Co. case before the New York Public Service Commission. In another, the Pennsylvania Power & Light Co. is seeking increases before the Pennsylvania Public Utilities Commission applicable to its commercial and industrial customers. We will probably seek to intervene in this case also.

Our survey of pending electric rate cases does not now indicate a large number of applications for rate increases. However, there is now an upward trend in the number of requests for rate increases before the State commissions which seems to be due primarily to efforts to shift war taxes upon the utilities to their consumers.

The gas rate problem appears to be more troublesome at this time. Among the cities where increases have recently been made or now pending are Boston, Philadelphia, Cleveland, Minneapolis, and Washington, D. C. We are now or will oppose most of these increases, particularly because they adversely

affect the cost of living of practically the entire population of those cities.

The relationship of taxes to utility rates is extremely important in devising and administering a proper program to control prices and the cost of living. In peacetime the principle that a utility is entitled to a fair return after allowance of all Federal income tax has been generally accepted. As an essential war measure, however, we propose to oppose the application of this principle to any request which would contemplate an increase in rates predicated upon the allowance of anything over and above the normal Federal income tax. Higher rates predicated upon increased Federal taxes would obviously be contrary to the intention of Congress, be inflationary in character, and adversely affect our program to prevent further increases in the cost of living.

In our work in this field we have sought to cooperate with the existing regulatory agencies. Both the Federal Power and the Communications Commissions have gladly made available the advice and help of their technical experts.

I am glad to state that our right to intervene and participate seems to be readily conceded in these cases before the Federal and State utility commissions. However, one commission, that in the State of Illinois, has not yet acted upon our request for intervention. This is a proceeding involving street-car fares in the city of Chicago. Of course, we have no desire to interfere with the efforts of the State or Federal commissions under their respective statutes to reduce rates whenever found necessary.

In seeking to cooperate with the existing regulatory agencies in the utility and railroad rate fields, we are proceeding in the belief that when Congress exempted these rates from our jurisdiction it was implied that these commissions would recognize that the dominant principle governing the fixing of all prices in wartime would be the Government's program to stabilize commodity prices and the cost of living and that the utility and railroad rate principles must be reexamined in the light of the Government's economic program, on the success of which depends both the winning of the war and the peace. Their recognition of this obligation will be an important step in the success of the Government's program to prevent further increases in the cost of living.

Therefore, while I hope there will be no need for additional legislation in this field, serious consideration must be given to the practice in Canada, where the consent of the price board, which administers an over-all program, as well as that of the existing regulatory authorities is a prerequisite to utility rate increases. Certainly it should be understood without additional legislation that Federal income taxes shall be borne by those upon whom such taxes should be levied. A different policy would seriously impair, if not destroy, the basic efforts of the Government to stop inflation.

We appreciate very much your interest in this phase of our work. If we can furnish you with additional data or information on it, please do not hesitate to call upon us. Sincerely yours,

LEON HENDERSON,
Administrator.

Mr. NORRIS. Later, as will be found from the correspondence I had with the Price Administrator, in an action before the Public Utilities Commission of the District of Columbia, where there was pending an application of the gas company for an increased rate, the question was discussed as to whether they should increase the rate, and whether they should allow the Administrator to appear. He had no legal right, he conceded, but

he wanted an opportunity to show how it would spoil everything he had done in the way of fixing prices in the District of Columbia if the rate should be raised, because the costs of gas, telephone, water, and electricity all directly affect the cost of living.

I thought I would write to the Federal Trade Commission and get their views upon the matter, so I addressed them a letter, and I ask unanimous consent that it be inserted in the RECORD at this point, together with the reply from the Federal Trade Commission.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SEPTEMBER 14, 1942.

Hon. W. A. AYRES,

Chairman, Federal Trade Commission.

MY DEAR MR. CHAIRMAN: I am very much worried about the situation which has been brought about in the District of Columbia wherein the Washington Gas Light Co. has made application to the Utilities Commission of the District for an increase of gas rates in the District of Columbia.

I had some correspondence with Hon. Leon Henderson, the Price Administrator, in regard to the increase of utility rates over the country, because I could see that the increase in these rates would center at once into the cost of living of all the consumers involved in the rate increase. It seemed to me to be perfectly plain that, where Mr. Henderson had, in compliance with the law setting up his office, fixed prices of everything going into the cost of living, all of his work might be nullified and destroyed if utility commissions over the country were allowed to increase utility rates. A copy of my letter to Mr. Henderson and his reply are printed in the CONGRESSIONAL RECORD of September 10.

I am wondering if I am asking too much of your Commission to read this correspondence and when you have done so if you would let me know what you think of the proceedings now pending for an increase of gas rates in the District of Columbia. Your Commission has had so much experience with public-utility rates and the subject matter in general that your opinion would be valued very highly by the country, and I know it would be by me. I trust, therefore, that you will give me your opinion in the matter. Your early reply will be greatly appreciated.

Very truly yours,

G. W. NORRIS.

FEDERAL TRADE COMMISSION,
Washington, September 15, 1942.

Hon. GEORGE W. NORRIS,

Senate Office Building, Washington, D. C.

MY DEAR SENATOR NORRIS: This will acknowledge receipt of your letter of September 14, 1942, with reference to utility rates, in which you refer to correspondence which you recently had with the Honorable Leon Henderson, Price Administrator.

As you know, some years ago this Commission completed an exhaustive inquiry into the financial structure and accounting practices of electric and gas utilities, and that the Commission found that utilities generally had used every device to obtain padded costs and inflated rate bases upon which utility commissions should allow them a given percent of profit. One of the companies covered was the Washington Gas Light Co. which is now seeking an increase in rates. The Commission has furnished the Honorable Leon Henderson with a copy of the report on that company so that his office may be familiar with the financial background of that company. The report on Washington Gas Light

Co. is printed in the public record in Senate Document 92, Seventieth Congress, first session. Unfortunately, the Commission's inquiry ended with the year 1934.

The Commission has not had an opportunity of examining the record in the present rate hearing, but it appears that one of the accounting practices which the company is attempting to influence the local Public Utilities Commission to permit is to include its income and excess-profit taxes as a component part of the total cost over and above which it is to be permitted to earn a net income of 6½ percent on its rate base, and to charge gas rates for the coming year that will accomplish that result. It appears from the letter of the Honorable Leon Henderson, referred to in your letter, that this is still a widespread practice for, in referring to the Maine case, Mr. Henderson wrote, in part, that it appeared that the increase requested was because of "projected higher Federal income taxes."

If the Washington Gas Light Co. were permitted to charge such rates and to earn such a clear profit above all taxes, other public utility companies operating in the District, such as the Capital Transit Co. and the Potomac Electric Power Co., would naturally expect like treatment. The effect would be to permit these utility companies to charge the public rates that would guarantee their stockholders on the agreed-upon rate base a clear profit of at least 6½ percent over and above all operating costs and income taxes no matter how high the rates of income taxes may be. Of course it is obvious that no other business domiciled, or operating, in the District of Columbia can guarantee their stockholders clear profits at any such rates.

Furthermore, particularly if the income taxes so included in costs are those paid during the operating year on the preceding year's income, the practice would set up a vicious spiral. The greater the amount of income taxes paid, the higher would have to be the rates of charge in order to afford a gross income that would leave a clear profit in sufficient amount, and the greater would be the current taxable net income; the greater the taxable net income of the current year, the greater would be the amount of income taxes payable in the next year, over and above which the Washington Gas Light Co. would be permitted to earn a clear profit of 6½ percent on its rate base. Naturally higher rates would have to be charged in order to produce a gross income of sufficient magnitude to leave a clear profit of such an amount.

The effect of such a practice, if permitted, would be to put the public utility companies into a preferred class and to permit their stockholders to escape their fair share of the burdens of war taxation. This burden would be shifted on to the consumers of their services who would be required to bear not only their own proper burdens of war taxation but those of the public utility companies as well. In other words, if allowed, the utility company would be guaranteed 6½ percent on the agreed upon rate base free of any war burden.

The consistent practice of the Federal Trade Commission has been to treat income taxes, not as operating costs or costs of products (which costs are incurred before there is a gross income from the sale of the services or products and may conceivably not be recovered in their entirety), but as shares of net income that are paid to government after that net income has been earned and realized and after all risk of loss has been resolved.

Inasmuch as one of the purposes for which the Federal Trade Commission was created was to protect the consumer, it deems it appropriate to call the inflationary character of the above practice to your attention. A study of the record in the present Washington Gas Light Co. hearing might disclose the fact that an attempt is being made to include

other items of a questionable character in cost.

By direction of the Commission.
Sincerely yours,

W. A. AYRES,
Chairman.

Mr. NORRIS. Mr. President, I noticed in the public press a few days ago that this question was before the Federal Power Commission also. Incidentally, there are a great many applications for reduction of rates, and some for increases of rates, now pending. The Federal Power Commission decided the case of the city of Detroit and the county of Wayne, Mich., against the Pan Handle Eastern Pipe Line Co. and the Michigan Gas Transmission Corporation, docket No. G-200, and in the matter of the Panhandle Eastern Pipe Line Co., Michigan Gas Transmission Corporation, and the Illinois Natural Gas Co., docket No. G-207.

The Federal Power Commission rendered an official opinion a day or so ago which is exceedingly interesting, and some of it bears directly upon the question before us. I ask unanimous consent to insert that part of its opinion which I have marked, beginning on page 31 and ending on page 34. I think these various matters should be in the Record so that those who discuss the question in conference may have the benefit of the particular things I have inserted.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska?

There being no objection, the matter was ordered to be printed in the Record, as follows:

TAX INCREASES DUE TO THE WAR EFFORT

While we have arrived at certain definite conclusions in disposing of the motions for an interim order reducing rates herein, the tax problem posed by legislation pending in the Congress makes it imperative that we make further comment on this subject.

We take judicial notice of the fact that our country is waging a war for survival. It is common knowledge that there will be increased tax burdens resulting from the requirements inherent in a global conflict. Business as usual is out—in fact, a great many so-called small enterprises have ceased to exist. Normal business during this period of grave emergency is at an end. Obviously, no one can expect to maintain a status or condition of business unaffected by the holocaust now sweeping the world. Increased tax burdens must be borne by the utility which enjoys a monopolistic position in the economic field, as well as by others who have no such advantage.

Proposals now pending in Congress to raise additional taxes are required to defray in part greatly increased expenditures resulting from the war effort. In this regard the report of the House Committee on Ways and Means,¹ considering the proposed revenue bill of 1942, after first pointing out that the cost of the war effort is placing upon the Nation a financial burden unequalled in our history, states:

"It is thus apparent that our revenue needs are extreme and your committee have endeavored to secure every dollar of additional revenue which, in its opinion, the national economy can bear. In its effort toward this objective, however, care has been

exercised in every instance not to place an unbearable burden upon any taxpayer."

Moreover, the President in his message to Congress July 30, 1941, requesting enactment of legislation for control of prices, stated:

"Inflationary price rises and increases in the cost of living are today threatening to undermine our defense effort."

Thus it appears that the doctrine of unjust enrichment as well as equity and good conscience compel the conclusion that a utility should not be permitted to thwart the purpose and spirit of the war price control legislation and the revenue laws by passing such abnormal tax requirements along to its consumers as an operating expense to be collected in increased rates. Indeed, we fell increased rates on such a basis would be unjustifiable. To allow them would in effect impose upon the consumers a sales tax.

So that there may be no confusion concerning the tax situation in connection with the companies subject to our jurisdiction, where necessary to stabilize utility rates at reasonable levels during the war emergency period, we propose to allow as proper operating expenses only such taxes as may be termed ordinary or normal. For the purpose of distinguishing between ordinary or normal and war emergency or abnormal taxes, we conclude that the basis prescribed in the 1940 Revenue Act establishes the highest possible level of Federal taxes which may be allowed as an element of operating expense for such purpose. The 1941 Revenue Act and the pending 1942 proposal certainly reflect abnormal tax requirements for war purposes.

The conclusions we here express find validity in utterances of other regulatory bodies who were confronted with the problem of abnormal tax requirements in dealing with the utility industry as a result of the first World War.² Furthermore, the Public Service Commission of Wisconsin, on May 5, 1942, disapproved the application of the Wisconsin Telephone Co. for authority to revise the base rate area and the rates at its Madison exchange, a proposal estimated to increase the cost of telephone service to the subscribers in that area \$290,000 annually. In its opinion denying such request the Wisconsin commission made this significant comment:

"We do not look with favor upon proposals to increase utility rates in these times * * * rates should not be increased solely because the management may consider that its return is less than it is entitled to ask in normal times."

Moreover, it is evident that Congress intended when it enacted the Emergency Price Control Act of 1942, that during the prosecution of the present war, this commission, in carrying out its regulatory responsibilities, should make every reasonable effort to assist in making effective the national policy of price stabilization. In this regard we will be alert to the necessity for checking unwarranted increases in utility rates which, if permitted, will contribute to the disruptive inflationary process now threatening to destroy our economy.

CONCLUSION

We conclude from the record that the present rates and charges of the respondents are unjust, unreasonable, unlawful, and violative of the provisions of the Natural Gas Act. Therefore, until further order of this commission, we determine for purposes of disposing of the motions before us that the just and reasonable rates, charges, classifications, rules, regulations, practices, or contracts to be hereafter observed by the respondents and fixed by order of this commission shall reflect an immediate reduction of at least \$5,084,384 below those in effect during the year 1941.

¹ Report No. 2333, 77th Cong., 2d sess., July 14, 1942.

² See *Re Western States Gas & Electric Co.*, PUR 1919B, 485, 493; *Re United Fuel Gas Co.*, PUR 1920C, 583, 606.

Mr. GILLETTE. Mr. President, I desire to call up an amendment which I have sent to the desk, and which I ask to have read for the information of the Senate.

The PRESIDING OFFICER. The clerk will read the amendment.

The CHIEF CLERK. On page 2, line 16, it is proposed to strike out "of sections 3 (a) and 3 (c)."

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment was agreed to will be reconsidered in order to permit the Senator from Iowa to offer an amendment to the amendment.

Mr. GILLETTE. Mr. President, on page 2, line 12, it is proposed to strike out the words:

The President may suspend the provisions of law relating to the establishment or maintenance of prices, wages, or salaries which are inconsistent with the purposes of this joint resolution.

The committee reporting the measure evidently thought that provision was too sweeping, and I agree with them. They offered an amendment which the Senate adopted a few days ago, and which is now before the Senate on reconsideration, in which they used the following language:

The President may suspend the provisions of sections 3 (a) and 3 (c) of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this joint resolution, but he may not under the authority of this joint resolution suspend any other law or part thereof.

Mr. President, I make no pretense of being a lawyer. I am a farmer—a dirt farmer. However, I believe that any lawyer will agree that if the proposed amendment were not in the pending joint resolution any provisions of it inconsistent with existing labor laws might be held by the courts to be controlling. However, the committee in its wisdom made special provision in the measure by providing that the President may suspend sections 3 (a) and 3 (c) of the Price Control Act but may not suspend any other law or part of a law that is inconsistent with the purposes of the joint resolution.

The Price Control Act—which is the law at the present time, and which, of course, contains sections 3 (a) and 3 (c), which are the sections applying to agriculture and which have caused so much controversy—clothed the Price Administrator with certain large powers to control by regulation and order such maximum price or prices as will in his judgment be fair and equitable and will effectuate the purposes of the act. But I invite attention, Mr. President, to page 5, subsection (h), of the Price Control Act, in which there has been placed the following limitation:

The powers granted in this section—

That is, to the Administrator—shall not be used or made to operate to compel changes in business practices, cost practices or methods, or means or aids to distribution, established in any industry, except to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this act.

Again, in subsection (c) of section 302, where there appears a definition of "commodity" under the Price Control Act, the Administrator was authorized to fix a ceiling on any commodity, but in the definition of "commodity" there was the following limitation:

The term "commodity" means commodities, articles, products, and so forth: *Provided*, That nothing in this act shall be construed to authorize the regulation of (1) compensation paid by an employer to any of his employees.

Under the pending measure authorizing the President to stabilize wages and providing that he may suspend certain provisions of the Emergency Price Control Act of 1942, but that he may not suspend any other law or part of a law, he runs squarely up against that limitation of the Price Control Act that he cannot stabilize with reference to compensation paid by an employer to any of his employees—

or, (2) rates charged by any common carrier or any other public utility, or (3) rates charged by any person engaged in the business of selling or underwriting insurance, or (4) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio broadcasting station.

The law from which I have just quoted prohibits the Administrator from adopting any price ceiling or issuing any regulation with reference to price ceilings which interferes with those specific matters.

To clinch it, the committee, in its wisdom, did not merely repeal or strike out of the original joint resolution the authority to suspend any law—and as I have said, I think that was quite proper—but they inserted a provision in the pending joint resolution that the President may suspend section 3 (a) and 3 (c) and that he may not suspend any other law or part thereof.

Mr. BROWN. Will the Senator yield?

Mr. GILLETTE. I yield.

Mr. BROWN. The Senator from Iowa called my attention to this point a few days ago. I would not feel it to be wise to go as far as he does in his amendment, but there is a clear inconsistency, as he points out, between the provisions of section 302 of the Price Control Act and section 2, as well as possibly section 1, of the pending joint resolution.

I therefore ask the Senator if we could not settle this question by authorizing the suspension of the only provisions of the law which, in my opinion effect this inconsistency, by inserting on page 2, line 16, after "3 (c)" in lieu of the words the Senator uses, the words—

Clauses 1 and 2 of section 302 (c).

Mr. President, I will say to the Members of the Senate that that would clear up a patent inconsistency. I do not believe that those who represent both the agricultural viewpoint and other viewpoints in this measure would want a general power in the President to suspend. The senior Senator from Connecticut [Mr. MALONEY], the junior Senator from Connecticut [Mr. DANAHER], and the Senator from Ohio [Mr. TAFT], and other members of the committee, were

very insistent upon that provision. I will say to the Senator from Iowa that the language in question will cover what he has in mind, and, I am satisfied, will accomplish the objective he has in mind. I ask him if he will not accept that as a substitute for his amendment?

Mr. GILLETTE. Mr. President, I thank the Senator from Michigan. The amendment which I have offered and which is now pending would simply authorize the President to suspend any provisions of the present Price Control Act relating to the establishment or maintenance of prices, wages, or salaries which are inconsistent with the purposes of the pending joint resolution, and no others. I am aware that there are certain provisions in the Price Control Act relative to marketing agreements which might well be exempted, and in view of the correction which the Senator from Michigan has suggested—while it does not go as far as I think it should go—I will withdraw my amendment and ask him to present his amendment.

Mr. BROWN. I ask that the amendment I proposed be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 16, after "3 (c)", it is proposed to insert "clauses 1 and 2 of section 302 (c)."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan [Mr. BROWN] to the committee amendment on page 2, line 16.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. Without objection, the committee amendment, as amended, is agreed to.

Mr. BROWN. Mr. President, the Senator from Georgia [Mr. GEORGE] has an amendment which I think clarifies somewhat cloudy language in the joint resolution. I should like to have that amendment disposed of.

Mr. GEORGE. Mr. President, the amendment was discussed on the floor of the Senate on the opening day of the debate. The purpose of the amendment is to avoid any possible conflict in the meaning of the joint resolution. I send it to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 4, line 2, after the word "inequities", it is proposed to insert a semicolon and the following: "but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section."

Mr. GEORGE. Mr. President, the whole purpose of the amendment is to make sure that in fixing a maximum price which might subsequently be affected by an order made by the President or the agency administering the act, the maximum price shall not be reduced below the so-called parity price. As I understand, that is agreeable to the Senator in charge of the bill.

Mr. BROWN. The Senator from Georgia is correct. The purpose the

committee had in mind is fully carried out and expressed by the amendment offered by the Senator from Georgia, and I should like to see it adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. GEORGE] on page 4, line 2.

The amendment was agreed to.

Mr. TUNNELL. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 6, after line 13, it is proposed to insert the following new subsection:

(d) In the administration of the provisions of the Emergency Price Control Act of 1942 and this joint resolution, and in selection of persons to serve on rent, price, and rationing boards of the Office of Price Administration, there shall be no discrimination on account of race, creed, or color.

Mr. TUNNELL. Mr. President, I understand there will be no objection to the amendment on the part of the committee.

Mr. BROWN. Mr. President, the amendment merely carries out the expression in the Constitution of the United States, and I have no objection to it. It does justice to a very large part of our population. They are fighting at the front and entitled to the rights and privileges of all American citizens. Edgar G. Brown, director of the National Negro Council, representing 4,000,000 of our colored citizens, strongly urges this particular amendment prohibiting discrimination, and he feels it will greatly enhance the morale and unity of all our citizens.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Delaware [Mr. TUNNELL].

The amendment was rejected.

Mr. DOWNEY. Mr. President, I have an amendment at the desk which I should like to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 4, line 14, after "Sec. 4.", it is proposed to insert "(a)."

On page 5, after line 6, it is proposed to insert the following new subsection:

(b) Nothing in this joint resolution shall prohibit the payment by any employer, or the acceptance by any employee, of (1) any wages or salaries provided for in any contract entered into in good faith in the ordinary course of business prior to September 15, 1942, or (2) any wages or salaries provided for by the terms of any option, renewal, or extension provision contained in such contract; except that adjustments may be made by the President with respect to any such wages or salaries to the same extent that adjustments may be made by him with respect to wages and salaries in other cases under this joint resolution.

Mr. BROWN. Mr. President, as I understand the amendment proposed by the Senator from California it covers this sort of situation: Where contracts have been entered into prior to the passage of the joint resolution which permit of regular raises of salaries, wages, or compensations of various kinds, those contracts having been partly performed, there should be no power given in the joint

resolution to change the terms of agreements of that nature.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. DANAHER. I do not have the language of the amendment before me, and I did my best to follow it as it was read at the desk. Let us suppose the case of a moving-picture producer who had a stated, fixed, weekly sum coming to him in accordance with a contract, with an additional and stipulated proposed increase to come at stated intervals, and suppose that salary aggregated the sum of, say, \$600,000 a year. There have been newspaper reports in the last 10 days of salaries aggregating approximately that amount, and inuring in favor of some moving-picture producers. Suppose the President should find that such a salary is a gross inequity, would he, under the provisions of section 1, be permitted to reduce the salary to a point where it would be only \$25,000 a year, after taxes?

Mr. BROWN. Yes, I think he could under the terms of the amendment, if it should be adopted, and under the joint resolution. There is no intention on my part, nor is there any intention, I think, on the part of the Senator from California, to break down the "gross inequities" provision of the joint resolution. The idea is that where contracts are entered into providing for regular increases in pay, as many contracts are, unless such arrangement is grossly inequitable, unjust, and unfair, it shall not be interfered with by the provisions of the joint resolution.

Mr. DANAHER. Mr. President, will the Senator from California yield further?

Mr. DOWNEY. Yes.

Mr. DANAHER. Will the Senator from Michigan please tell us, in the light of his explanation, what is the purpose of section 10 of the measure?

Mr. BROWN. Section 10 relates to salaries on an annual basis.

Mr. DANAHER. Annual "or other basis," is it not, I will ask the Senator?

Mr. BROWN. My idea is that when wages and salaries are on an annual basis, bonuses and compensations in the nature of Christmas gifts which are commonly and regularly given should be included. It happens that under the provisions of the joint resolution we use the period from January 1 to September 15 as the basis for calculating salaries. But in a great many cases larger compensation is paid in the last month of the year, where there is profit-sharing arrangements or division between employer and employee. Representative RICH, of Pennsylvania, called my attention to a situation in his own plant, where approximately 25 percent of the total compensation of some of his employees is paid as a profit sharing in the month of December. Unless we had section 10 in the joint resolution that kind of an arrangement would not be covered, and compensation would be based upon the rate between January and September of each year. So the committee thought that section 10 would cover that kind of a situation. It does not seem to me that

we ought to interfere, except in a case of gross inequity, with existing contracts which provide for regular increases, when the contracts are now in existence. I believe the amendment of the Senator from California is a reasonable and fair one, and should cover that situation.

Mr. DANAHER. Mr. President, will the Senator from California yield for a further question?

Mr. DOWNEY. Certainly.

Mr. DANAHER. Is it the purpose of the Senator from California not merely to stabilize such contracts, but actually to guarantee by law that contracts which provide for additional increases from time to time shall be protected under the proposed amendment?

Mr. DOWNEY. No, Mr. President. There is to be no guaranty that a man shall continue in the employ of an employer merely because his contract fixes a sliding scale. Let me say to the distinguished Senator from Connecticut that I understand that there are two principal classes which would be affected by this amendment. One is the representatives of the press. I understand that under the Guild contract, when a person goes to work for a newspaper, a written contract is entered into under which, at regular intervals—perhaps every 6 months or every year—there may be some increase in compensation.

A similar situation exists in the motion-picture industry. A young girl may go to work at \$25 a week, with the understanding that if she makes good she will receive \$50 a week for the second year, and perhaps \$100 a week for the third year, and so forth. The amendment would protect persons who have written contracts of employment or contracts in which there are options of renewal at an increased salary. It would reserve to the President the power to cut across any such contracts and set them aside if he should deem them inequitable.

Mr. DANAHER. I thank the Senator from California. His explanation satisfies me.

Mr. BALL. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. BALL. It occurs to me that the principle of the Senator's amendment is slightly contrary to the request which the President made of the Shipbuilding Stabilization Committee. A contract was negotiated a year ago last spring, I believe, which provided for increases proportionate to the increase in the cost of living. When that contract came up for renewal last spring the President specifically requested the employees to forego a part of that increase, and I believe they did so. I do not quite see the reason for protecting particular groups, which have been foresighted enough to provide for annual increases in salary, and which probably need the increases far less than do others.

Mr. DOWNEY. Before I had this amendment drafted, I conferred with the legal representatives of the Office of Price Administration. They stated to me exactly the condition which the Senator from Minnesota has suggested. Contracts were written for the shipyard

workers under which their wages were to be increased in accordance with the increased cost of living. It was at least indicated to me that both the shipyard workers and the President would consider inequitable, or not consistent with the proper prosecution of the war, any kind of a contract which would increase wages in accordance with the increased cost of living. Hence, at the suggestion of the representatives of the Office of Price Administration, we included in this amendment the power of the President to cut across such options and contracts if he should so desire.

I appeal to the sense of fairness of the Senator from Minnesota. If a young, inexperienced reporter starts to work for bread-and-butter money and becomes more valuable with experience, he should be allowed to work under the terms of a written contract such as I have described. A young girl may struggle along for several years for almost no wages. If her contract calls for some reward, if she is successful, she should have the reward. Under this amendment the President would retain the power to cut across any such contract and to prevent inflation at any point he desired.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. GEORGE. The Senator from California is correct in saying that the President may cut across such contracts. However, this is an anti-inflation measure, expressly designed to limit the prices of agricultural products, or to give the President such authority, and to fix wages. The amendment of the Senator would be an express declaration, in an anti-inflation measure, in favor of protecting contracts for increases in wages. It is utterly inconsistent with the objective of the pending measure.

Let me say to the Senator from California that his purpose is a good one. Ordinarily, of course, we allow everyone to get all the increased wages he can get. It is a sound public policy to allow everyone to advance as fast as he may be able to advance, and to increase his earnings. But we are now directly doing the other thing. We are saying that wages and farm prices shall not be increased, except under the rigid conditions which we are putting in an anti-inflation measure.

The amendment would expressly approve contracts for increases in wages, without any regard to the terms and conditions of the anti-inflation measure. Such increases would depend upon a loose contract, which might be oral. The contract would not even have to be written.

If we should adopt such an amendment every group of organized workers in the country would take advantage of it tomorrow. If we mean to stop the increase in the cost of living by fixing a ceiling on farm products and limiting wages, we certainly do not want this amendment in the joint resolution. It may be offered for the best purpose in the world. I should like to increase the wages of persons working with me; but if it is necessary to give the President this extraordinary power to stop rises in wages, it ought to apply to one man's wage as well as to that of another. The fact

that there may be a prior contract to permit such increases does not make any difference.

Suppose I should go into the market tomorrow—which I might do in all good faith and with perfect honesty—and say, "I have contracted to sell my cotton this year for a given price, above the ceiling price which the President is bound to fix on cotton as a farm product." Would I be permitted that privilege merely because I had a contract? The whole theory is utterly inconsistent with any effort to control living costs and the prevent the spiraling of costs and the crucifixion of the American people by rapidly rising prices.

The amendment of the Senator from California would not require a written contract. It would not even require a contract which has been witnessed. Any kind of a loose oral agreement might be used as the basis for an increase in wages and salaries. Any kind of loose oral renewal of an option or extension of a contract provision dealing with wages might be used as the basis for an increase in wages.

I beg the Senator not to insist upon his amendment, because with his amendment in the joint resolution precisely what so many who are engaged in agriculture fear would be easily possible. While farm prices are to be regulated, there is a doubt as to whether the agency selected will actually deal with wages in the same fearless and impartial way.

Everyone knows that the rising cost of living in this country has not been due in the first instance to an increase in farm prices. The genesis of this inflation is to be found in the rapid employment of a large number of workers, and in the rapid rise of factory wages, without a single step being taken by the Government to regulate or effectively stabilize such wages. In response to that movement, of course, farm prices entered the picture. They began to rise. Now the farmers, after this long fight, in which the Senator himself has participated, have, by agreement reached today, accepted in good faith the authority to have their prices sealed with a certainty which can leave little doubt.

Some worthy people claim that they have contracts of employment under which their wages will be increased as profits of employers increase. Such a contract may be perfectly fair. It may be entirely just; but we are attempting to do the extraordinary thing of stopping a free enterprise system in its tracks and saying, "You must not advance the cost of living in this country; you must not increase the cost of farm products; and you must not increase wages, unless under the very terms of the charter which the President has given he sees that there are certain inequities and certain things which must be done."

The existence of a prior contract ought not to be the basis on which to abrogate the law which we are trying to enact today. If we adopt this amendment, it is my judgment that we will rue the day, because it will be the excuse for innumerable cases of fraud. It will be the basis on which large groups of employees will say, with the willing acquiescence of em-

ployers, who need labor, "Yes; there was a contract. We entered into some sort of a contract, and agreed to the renewal of that contract." The result will be, in my judgment, that what we are trying to do will be very largely upset. I hope the Senator from California will not urge the amendment.

Mr. DOWNEY. Mr. President, while I am always greatly persuaded by the eloquent reasoning of the distinguished Senator from Georgia, of course, I have to urge the amendment because I consider it to be fair and just. It was perfected only after consultation with the representatives of the Office of Price Administration, with the sponsor of the bill, the distinguished Senator from Michigan [Mr. BROWN], and with the distinguished majority leader, the Senator from Kentucky [Mr. BARKLEY], who is about to ask me to yield, and to whom I now yield.

Mr. BARKLEY. Mr. President, I desire to ask the Senator a question about the amendment. What is the necessity for it, even to correct the situation which the Senator has in mind?

Let me state the premise upon which I base my question. By the pending joint resolution we are attempting to stabilize wages as nearly as practicable as of September 15, 1942. There would be no reductions below that general level except in cases of gross inequities. I do not suppose that even the persons who would be affected by the amendment are the victims of gross inequities as to their compensation. So it seems to me that the pending measure as already drawn would cover such a situation, and that the remainder of the Senator's amendment would apply only to renewals and extensions of such contracts made prior to September 15, 1942, although the Senator's amendment provides—

Except that adjustments may be made by the President with respect to any such wages or salaries to the same extent that adjustments may be made by him with respect to wages and salaries in other cases under this joint resolution.

In other words, under the measure, without the amendment, the President would have the right to adjust any gross inequities in the general level as of September 15, 1942. If the general level as of September 15 is to be the basis and theory of our stabilization, I do not quite understand how such persons would be hurt by the present provisions of the measure; because all the amendment would do would be to attempt to stabilize wages under contracts made by that date, with the provision later on that it would apply to any extensions thereof, and with another provision that the President could regulate them notwithstanding the amendment, just as he would be able to regulate wages by authority of the pending measure itself.

I do not quite see the reason for the amendment. I should like the Senator from California to explain that point.

Mr. DOWNEY. Mr. President, I am sure there is an extreme necessity for the amendment, and that, unless the amendment shall be agreed to, very great hardship and, I think, injustice will be worked upon many thousands of young

persons in this Nation who have begun employment under a written contract according to the terms of which they are simply apprentices, and receive virtually no wages. Such contracts provide that as they grow older and obtain more experience and make good, their wages shall be raised on the basis of a sliding scale.

It seems to me that it would be extremely unjust and unfair to say to someone who, prior to September 15, 1942, had entered into a written contract validly and in good faith, expecting to work at a small compensation at first, but to obtain increased compensation as he grew older and became more experienced and more valuable, that he would be denied the benefits of a written contract in existence as of September 15, 1942. I should say that would be extremely unjust.

Mr. BARKLEY. Mr. President, let me ask the Senator another question. Suppose an apprentice had entered into a contract—whether written or otherwise—4 or 5 years ago, at any time prior to September 15, 1942, and that he entered into the contract as an apprentice. Of course, he would expect that as he moved along he would improve his situation and would receive advances in pay and in position. Even if his contract prohibited such advances on his part, such prohibition certainly would be a gross inequity which the President could correct under the general terms of the joint resolution, would it not?

Mr. DOWNEY. No, Mr. President; I doubt that. The pending measure attempts to freeze wages as of September 15, 1942.

Mr. BARKLEY. The freezing is not to be an inflexible freezing.

Mr. DOWNEY. No; but at least that is the point.

Let us assume the case of a man who had a written contract in which his compensation was fixed on the basis of a sliding scale. It seems to me that simple equity and fairness would require that written contract to be considered valid. It may be, as I understand, that all the newspaper guild contracts are written on the basis of a sliding scale. I understand that thousands of such contracts are written for young persons employed in the moving picture industry. It seems to me that it would be unfair to shatter the plans and hopes of persons having such written agreements.

Let me say to the Senator from Georgia [Mr. GEORGE] that if he believes that the amendment should be perfected so as to protect the Government against chicanery and fraud, I should be very happy to have it so amended. The amendment was written for me by the legislative counsel, and I accepted the amendment as it was prepared for me.

The language as prepared by the legislative counsel is as follows:

(b) Nothing in this joint resolution shall prohibit the payment by any employer, or the acceptance by any employee, of (1) any wages or salaries provided for in any contract entered into in good faith in the ordinary course of business prior to September 15, 1942.

If the distinguished senior Senator from Georgia desires to have inserted in the amendment the words, "any written contract entered into in good faith," of course I should be glad to accept such a change, and also should be glad to insert the word "written" before the word "option", so as to read, "any written option."

I cannot join the distinguished senior Senator from Georgia in believing that American employers and American employees would enter into any fraud by which such employers would have to pay to their employees more money than they had expected to pay under written contracts. I cannot see why employers would do such a thing. Why would any employer want to give an employee more money merely to defeat the aims of the United States Government?

If an increase in pay were provided by a written agreement, the employer might have to grant it, of course. I cannot quite understand why an employer would want to waste his money by dishonestly or fraudulently increasing the compensation of an employee.

Let me also say that our investigation led us to believe that the number of such contracts in existence—and I refer to written contracts, because, of course, they were what I had in mind—providing for compensation on the basis of a sliding scale was very small, and that they could not affect inflation at all.

I have already stated to the distinguished Senator that when the legal representatives of the Office of Price Administration approved the amendment they had in mind shipbuilding contracts which provide for increases in wages commensurate with increases in the cost of living; and they very distinctly had in mind that such contracts should not be permitted.

Under the proposed amendment the President would have the power to correct inequities of that kind or of any other kind which would interfere with the proper prosecution of the war.

Let me further say to the distinguished senior Senator from Georgia that before I submitted the amendment, I took it up with the distinguished senior Senator from Ohio [Mr. TAFT], I took it up with the representatives of the Office of Price Administration, and I took it up with the distinguished majority leader, the senior Senator from Kentucky [Mr. BARKLEY], and with the distinguished junior Senator from Michigan [Mr. BROWN], the sponsor of the pending measure. I found no objection to it from any source; but now, unfortunately, I do find objection from one of our very ablest and most persuasive Senators. Of course, I regret that he does object.

Mr. GEORGE. Mr. President, I do not want to quarrel with the Senator about the amendment; but it seems to me that it is equivalent to saying that wages and salaries shall be frozen except in the cases of contracts providing for increases in wages or salaries.

Let me state a specific case by way of illustration. Every year I try to sell my cotton for future delivery. Suppose I

enter into a contract to sell it for 25 cents a pound. I enter into the contract in good faith and in due course of business. Suppose the pending measure is passed, and suppose the President says, "The parity price is all you can receive for your cotton." Then I should be enjoined to sell the cotton under that price ceiling. Because I had entered into a contract, had made it in good faith, and had expended money in order to produce the cotton, is no reason why the provision should not be applied to me.

The pending measure is a drastic one. It would result in cutting off increases in the prices of farmers' products and increases in the wages of wage earners and increases in the salaries of salaried persons. The fact that a contract had been entered into would be no reason in the world for providing that a person working under such a contract should be excepted from the application of the provisions of the measure. To do so would be like placing a ceiling on salaries, and then saying, "No salary or wage shall hereafter be increased except in the case of those persons who had contracts providing for increases in wages or salaries." Of course, such persons might be the very ones whom it was desired to reach.

Mr. DOWNEY. Mr. President, will the distinguished Senator yield to me so that I may ask a question?

Mr. GEORGE. I am glad to yield.

Mr. DOWNEY. Let us assume a typical case, a case which the amendment is intended to reach. Let us assume the case of a young man who has entered the newspaper-reporting business. He agrees that for the first year, while he becomes older and more experienced, he will work for \$25 a week—of course, I have no idea what may be the sliding scale under those circumstances—but assuming a written contract entered into prior to September 15, and entered into in good faith by him, and relied upon by him, let us say that the contract stipulated that on December 15, at the end of his first year of service, he should receive \$35 a week instead of \$25 a week; and let us assume that everyone else doing the same class of work that he would then be doing would be receiving \$35 a week, the same amount which he would be entitled to receive under his written contract. Do I understand that the Senator would consider it equitable to say, "No; you cannot have the advantage of the written contract"?

Everyone else in the same class would be receiving \$35 a week—or even \$50, let us say.

Mr. GEORGE. Oh, no; that is another question. If in the market that is the price of wages that the President will fix, if that is the price ceiling fixed on wages and salaries, then, of course, he is entitled to receive it. It is not a question of whether it is right or wrong.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. GEORGE. The Senator from California has the floor.

Mr. DOWNEY. I am asking the Senator to yield for a question.

Mr. GEORGE. I am trespassing on the Senator's time.

Mr. DOWNEY. Not at all; but let me say I do not think the Senator quite understands the purport of the situation he is stating. If the young man we are talking about was receiving a salary as of September 15 of \$25 a week, even though he had in his possession a pre-existing contract providing that his salary would be increased \$10 a week within 6 months, if this joint resolution shall be passed and wages shall be frozen as of September 15, his compensation will be frozen at \$25, unless he goes directly to the President of the United States and says, "Now, Mr. President, I was getting only \$25 but now I am doing work entitling me to \$35, and my written contract calls for it, I ask you to grant me equity under your extraordinary equity powers in this amendment."

I may point out to the distinguished Senator from Georgia that it would be much simpler and easier and certainly result in much less fraud if we would assume that these written contracts have been entered into decently, fairly, and sensibly, and allow them to operate except when the President of the United States himself shall determine that in the prosecution of the war they are inconsistent with equitable principles. I speak somewhat emotionally—

Mr. GEORGE. I understand that, of course.

Mr. DOWNEY. Because I know there are thousands of young people in this Nation tonight who would be affected.

Mr. GEORGE. But the Senator is forgetting there have been many young people taken out of private life, where they were getting ahead, making money, and advancing, and who have been sent to the four corners of the earth to fight in the Army, and we who called them to serve in the armed forces said, "We do not propose to allow living costs to get clear out of hand." The President has asked us to give him the authority to stop the rising cost of living. The two things wherein his power was lacking were to control the price of the farmer's products and to control wages.

If we should say, as the Senator proposes, "All good and well, we will put a ceiling on the price of the farmer's products, we will seal his price and we will seal wages as of a certain date except where an employee has a contract," then, we would be guilty of the grossest kind of favoritism in behalf of those who have contracts. It may be perfectly right for them to have contracts, and for them to advance, but, if we permit it, we are obliged, in good conscience, to permit men to make advance contracts for farm products and sell them on the forward prices, regardless of the fact that, in the meantime, a ceiling has been put on and it has been made unlawful to sell at above a certain fixed price which would be below the contract price. There is no great harm done to the apprentice or to the reporter who is just entering into his line of business on a sliding scale contract, because, although he is working under that sort of contract, if he becomes proficient, regardless of the wages which are fixed by the President or by the agency in charge, he can receive the same wage that all his fellow citizens receive for the same kind of work.

Mr. DOWNEY. Mr. President, will the Senator yield to me there?

Mr. GEORGE. I am glad to yield.

Mr. DOWNEY. That is not the theory of the joint resolution. The theory of the joint resolution is that if that young man we are assuming was working for \$25 a week he is going to be frozen there.

Mr. GEORGE. Oh, no.

Mr. DOWNEY. That is the theory of the pending measure.

Mr. GEORGE. Oh, no. That is Mr. McNutt's bill; that has not come along as yet. The employee is not put in the position of being told "You cannot ever leave this position"; he is free to leave that job.

Mr. DOWNEY. Yes; he is free to leave that job and find another job; that is true.

Mr. GEORGE. And he can find another.

Mr. DOWNEY. But he is not free, under the theory the Senator is advancing, to take from his employer the same wage that his fellow employees are receiving for the same work he would be doing.

Mr. GEORGE. Yes; he could, but he could take nothing by virtue of the contract, when the whole purpose of this bill is to outlaw the contract and to say, "Here is a ceiling on prices and a ceiling on wages and salaries; we are disregarding contracts and doing it by law." We could not defend it, under ordinary circumstances; but, if we are serious about this matter, we see that we must do it, and we go ahead and do it, and we cannot protect people because they have a preexisting contract and give them any special privileges. Wholly aside from their contract, of course, they can receive any wage, and every employer is justified and authorized to pay them any wage that is fixed under this proposed law.

I believe, if the Senator considers it in the proper light he is bound to realize that the moment this theory is admitted into this particular anti-inflation measure, that very moment all sorts of doors are open for fraud, and we will find all kinds of people in the United States saying, "Oh, yes; I employed Smith 2 years ago at \$5,000 a year, but I agreed to step up his salary to \$10,000 each year. He remains with me; here is my contract." There could be found many groups of employers who have made renewal contracts, on that basis.

This joint resolution is getting us away from contracts, and, not only getting us away from contracts, but it is denying us the right to contract; it is simply saying, "You have no right to contract," and then it is proposed by an amendment to it, and say that because the contract was made sometime before we will allow a man to come in and have the fruits and benefits of his contract. I am sure that is inconsistent with the very theory on which we are trying to pass the proposed legislation.

Mr. BARKLEY. Mr. President, may I ask the Senator from California a question?

Mr. DOWNEY. I am glad to yield.

Mr. BARKLEY. The Senator submitted this amendment to me after he had drawn it, and I talked briefly with him

about it. Frequently it happens here, of course, that we do not know all our reactions to amendments until we consider and discuss them.

I want to ask the Senator if he realizes that in the case of the boy drawing \$25 a week, to whom he referred a while ago, there is nothing in this measure that prevents promotions of any kind? If a man or woman has earned a promotion he or she can get it under this measure. If a woman has been working in a store as a stenographer, and the store wishes to promote her to the position of floor manager or buyer, at a higher salary, there is nothing in this measure that would prevent that being done.

If the young man to whom the Senator referred a while ago is under a contract to work for \$25 or any other sum a week, and by reason of his experience earns a promotion at a higher salary, there is nothing in the pending measure that will prevent that. I realize the earnestness with which the Senator presents this matter, but I do not think there is anything in the joint resolution that would prevent the boy from getting a promotion, if he had earned it, or anybody else, so far as that goes.

Mr. DOWNEY. Mr. President, there are certainly two answers to the suggestion, but, before I mention them, I should like to point out to the Senate that the distinguished Senator from Georgia certainly made an extraordinary statement when he said that employers want to commit fraud and perjury and deceive and defeat their Government in order to pay higher wages to their employees. I cannot conceive of that; I cannot conceive there would be one employer in the United States who, for no other purpose than to defeat the laws of the United States would say, "I am going to connive with you and claim that I agreed 2 years ago to pay you \$10,000 instead of \$5,000 you are now getting." What possible temptation could there be on the part of the employees to enter into a deceitful scheme, a shameful scheme of fraud and chicanery?

I do not say that there might not be isolated cases in which someone would want to get more money out of a corporation for a relative, when there might be the possibility of fraud; but the amendment can be perfected, if the distinguished Senator from Georgia desires, to make it even stronger than it is as now drafted.

Mr. President, let us consider the rather startling statement of the distinguished majority leader. Let us take the case of an actress in Hollywood who may have been slaving for three or four years, giving up a substantial part of her life, who finally on September 15 is receiving a salary of \$100 a week, or a month, and her contract provides that a year after that, if she continues to make good, she shall automatically be increased to \$200 a month or \$200 a week, whatever it may be.

I say, in contradiction to what our distinguished leader says, that the employer could say to her, "Your wages were frozen as of September 15, and while in good faith, under this contract, you are now entitled to \$200, we are not going to

pay you that." That is how I think many employers would act, instead of indulging in the prodigal liberality presupposed by the Senator from Georgia.

Mr. BARKLEY. If the employer undertook to take advantage of the proposed law and say the wages were frozen at \$100 a week by the proposed act, the actress could go to the President of the United States and say, "This is a gross inequity," and the President would have the power to correct the gross inequity.

Mr. DOWNEY. Undoubtedly there would be tens of thousands of people who would be personally and rightfully complaining to the President of the United States, and asking him to rectify an injustice in accordance with written contracts.

Mr. President, I wish to comment upon one further statement made by the Senator from Kentucky to the effect that in the kind of cases we are discussing there would be nothing which would prevent an employer from promoting an employee. I cannot agree with that. If a writer or an artist or a movie star were working at a certain fixed stipend, and the President issued an order freezing wages on a certain date, the employer could not a year later say, "I am going to promote you into a higher class just to pay you more money." I cannot agree that that is correct.

Before the amendment was offered, it was submitted to the legal representative of the O. P. A., to the senior Senator from Ohio, to the Senator from Michigan, and to the majority leader. It is my firm opinion that not by the widest range of imagination could this amendment be fancied to tend to create any inflation. I do think it would tend to do away with many inequities and many unjust situations, and that it would be a corrective far easier of application than if we take the opposite road—compelling the President to pass upon every one of these cases categorically.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from California [Mr. DOWNEY].

The amendment was rejected.

Mr. WILEY. Mr. President, in the 1830's in the Senate of the United States, Mr. Benton, of Missouri, arose and introduced a resolution relating to the tariff laws which favored the manufacturers of the East. Out of that resolution grew the famous Webster-Hayne debates, because that resolution was a vehicle for the expounding of the nullification theory by Hayne and the reply thereto by Webster, holding that this was one Nation, inseparable. But in that famous debate, which gave Webster the opportunity to present the need of comprehending this Nation as a unit, the West and the South attacked the East. Bitter words were said, and after they had been said and the nullification theory expounded by Hayne, President Jackson requested Webster to reply. The East was bitterly maligned. In those days it was a matter of attacking a geographic segment of our society.

Today because of the power of the press and the lack of vision in some of our statesmen, not particularly a geo-

graphic segment, but an economic segment—the farmers of America—have been maligned. There are 30,000,000 farmers, about 23 percent of our population.

If there had been a Webster in the Senate, it would have presented a grand opportunity for him to again make a speech on the Union—one and inseparable.

He would have demonstrated with clarity that it was imperatively necessary, on behalf of the consumers of America and our Allies, that the farmers be provided with adequate labor and machinery, and receive adequate pay. He would not have permitted the biased minds of the press and the radio to sell the consumers of America on the proposition that the farmers were a selfish group, that this was a matter in which they were simply trying to "feather their nest."

No, Mr. President, in clarion voice he would have demonstrated what is likely to be the fact, that the grass will grow in the streets of the cities and the villages of this country unless the farmers of America are at least given the cost of production for what they produce and permitted to have labor and machinery to produce the food America needs.

We all have faith that wisdom will be given to America to control inflation. We all believe in equality of sacrifice. But if Webster were here, he would demonstrate clearly that the very life of America and the success of America and her Allies in the war depend upon the "munitions" which come from the farm.

Yes, a Webster would demonstrate clearly to anyone who might read that the pending measure will not decrease the present cost of living and, of course, will not keep the cost of living from advancing.

Mr. President, the issue involved in this debate is infinitely larger than the question of farm prices. It is an issue which may involve the continuance of the American form of government. It is not simply a case of being for or against inflation, as some newspapers would have us believe. It should be apparent at the outset that no Member of Congress wants inflation. As a matter of fact, those men who wish to establish a fair price for the farmer are probably more concerned with preventing inflation than those who merely talk about farm prices without being willing to establish a law which would place a ceiling on wages.

If Webster were here he would present the cause of the farmer so clearly that the blinders which so many of our citizens have in front of them would be torn off. He would, for instance, show that the farmers of Wisconsin are getting between 4 and 5 cents a quart for milk, that it takes 4 quarts to make a pound of cheese, that the farmer then is getting between 18 and 20 cents for the milk that goes into a pound of cheese, that the cheese factory is selling it for 28 cents, that when it is purchased in Washington the consumer pays 60 cents.

He would do the same with beef and pork, high as it is, and show as to every article the farmer sells that the farmer is not getting the "gravy." He would

ask why, when beef went up to 137 percent of parity and hogs went up to 125 percent of parity, the administration did not reduce the prices of these articles to 110 percent of parity.

Another thing Webster would have done, so anyone who runs might read; he would have disposed of the smoke-screen precipitated by the administration and some of the columnists and men of the press, blaming Congress in this emergency. We know that the present results are due entirely to the piecemeal action of the administration.

Mr. President, under the pending measure, and the public might just as well know it, the administration does not propose that the consumer shall purchase on the basis of the parity the farmer is supposed to get. The presently proposed resolution provides ceilings on pork and beef and wool—that the highest prices received by the producers between January 1 and September 15, 1942, shall remain in effect. The 100-percent ceiling relate only to that large group of farm products which are still 45 percent to 85 percent of parity.

The plain and simple fact, Mr. President, is that the American people are being led to believe that this measure will prevent high prices, and will reduce the cost of living. That is not true.

The resolution provides in part for the retention of present ceilings on pork and beef and wool, and all of the fuss and furor about the 100 percent ceiling relates to products which are still only 45 percent to 85 percent of parity.

In other words, the issue has been grossly distorted. At this period in the Nation's history, when we face the grave test of survival, this type of distortion is more unfortunate—not merely because it befuddles the American people, but because it creates division in our midst at a time when we need unity.

It is not my purpose to comment at length upon the misunderstandings which have been engendered by many newspaper accounts, because to a large degree that misrepresentation only reflects the confusion which has characterized the statements of those in high governmental offices with respect to this problem.

It is, however, manifestly unfair—and "unfair" is the most charitable word I can use—for some of the press of this Nation to indict Congress for manifesting the courage and statesmanship necessary to insist that the farmer get a square deal. It is comparatively simple and infinitely more politically expedient to make the farmer a scapegoat.

There is much talk about the so-called farm bloc. I am not a member of any bloc, but I am certainly proud to join with those loyal Americans who have made an outstanding contribution to the war effort with an 80-hour week and no overtime, and who ask only the simplest kind of economic justice.

Of course we are all against inflation, and of course we are all against any unwarranted increase in prices on the commodities market, but when the Wisconsin dairy farmer gets from 18 to 20 cents for the milk which goes into a pound of cheese, and we here in Washington pay

60 cents a pound for that cheese, it is not particularly intelligent of us to denounce the farmer as making an excessive profit.

His cost of production for the 4 quarts of milk that went into that pound of cheese, incidentally, is approximately 18 cents, and no man can accuse him of profiteering. The handling charges on that pound of cheese are more than twice what the farmer gets for the raw materials and his 80-hour week, and still when we condemn the high price of that pound of cheese we indict the farmer.

Let there be no misunderstanding. We need legislation to control prices. The pending joint resolution, however inadequate and however mistakenly conceived, is apparently the only measure acceptable to the majority, and frankly I can see no alternative except to support it.

I hope that every consideration will be given to the difference between the price the farmer receives and the price the consumer pays. It seems apparent that the threat of inflation, instead of having been created by an increase in farm prices, has been retarded to a certain degree because the farmers have increased their production so tremendously.

It is impossible to believe that the farmers, who constitute 25 percent of the Nation, and who receive less than 10 percent of the national income, can be charged with creating inflation.

I wish it were possible for some of our Washington swivel-chair experts—yes, and for some of our learned columnists—to spend a few weeks on a farm in Wisconsin or some other State.

The Dean of the University of Wisconsin College of Agriculture tells me that thousands of farmers in our State are considering selling a part or all of their dairy herds to reduce the labor requirements. There is a decided movement underway in dairy areas to deplete dairy herds and sales for slaughter because of this labor shortage.

In Wisconsin at the present time there are more farm sales of livestock and personal property than there have been in a generation. The farm labor situation is becoming increasingly critical.

Mr. President, I ask that there be inserted in the RECORD at the conclusion of my remarks an article entitled "The Political Mill," by Gould Lincoln, which appeared in the Evening Star of September 29, 1942.

I regard this article as an outstanding example of a fair, impartial, and intelligent analysis of the pending measure.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Evening Star of September 29, 1942]

AMERICAN FARMER, SEEKING EQUALITY OF TREATMENT, IS MADE THE TARGET OF THE PRICE CONTROLLERS

(By Gould Lincoln)

Ever since Labor Day a great effort to dramatize the American farmer as the horrid villain in the piece Save America From Inflation has been thoroughly underway. His aides have been pictured as Congress and the farm organizations themselves.

The cost of living has been going up. There was every chance that it would continue to go up. President Roosevelt sent

a message to Congress and delivered a radio speech to the American people, demanding that steps be taken by Congress to curb farm prices, adding that he himself would handle wages of industrial labor—which have soared to new heights with the vast war program underway. These were the two great items in the cost of producing and the cost of living in this country, which were not controlled as they should have been in the so-called Price Control Act, under which the country has been operating for many months now. Farm prices, under this law, have been privileged to go to 110 percent of parity (the formula devised years ago to equalize the farmer's dollar with that of industry). Labor's wages were not fixed at all in the law, and no ceiling for them whatever was attempted.

Fair warning of what was to be expected—in the matter of increased cost of living—was given the administration by Bernard M. Baruch, head of the War Industries Board in the last war, and by Representative Gore of Tennessee and some other Members of Congress. No attention was paid to these warnings, however. The farm lobby was on the job at the time. But so, too, was the labor lobby, of which nothing is heard now in the bursts of indignation over the farmer and his prices. The farm lobby may be effective, but compared to the labor lobby it is a gentle zephyr instead of a gale when it hits Washington.

PRESIDENT RIGHT

The President was entirely right to demand that steps be taken to halt inflationary moves, to prevent the ever-increasing cost of living. He told Congress bluntly that if it did not act by October 1 he would himself use the powers which he has during the war to control farm prices. He said that he himself would "stabilize" industrial wages.

The difficulty was that Congress and the farmers had heard the talk of stabilizing wages before—and the only evidence of any movement on the part of wages was an upward movement.

Senators and Representatives in Congress from agricultural States—some from industrial States, too—say flatly that the farmers would have been willing to have an effective price ceiling placed on farm products from the very first of the price-control agitation if there had been at the same time an effective ceiling placed on the prices of the things the farmer has to buy—and on industrial wages, which necessarily affect the prices of the things the farmers must buy. They insist that the farmers—and their organizations and their lobby—have only been trying to protect the farmers, to keep them from being made the "goat" in a vast inflationary movement.

MISTAKE MONTHS AGO

The mistake was made months ago. The Congress passed the kind of a bill demanded by the administration, although at the time the representatives of the farmers, in and out of Congress, succeeded in getting through provisions which made an effective ceiling on farm prices impossible. But the administration had its way thoroughly in the matter of industrial wages. There was nothing whatever in the bill to deal with wages. Ever since wages have gone on their way up. They are still going up. If they were frozen as of today—and the farm prices were frozen, too—the farmers would still be behind in the procession which is making for the increased cost of living.

So when the bill now pending in the Senate to tackle further the question of price control was drafted the farmers insisted upon getting a better break for themselves, if they could. They have been forced to pay excessively high prices for farm labor, and many of them have been unable to get help at all. Either the farm laborers were taken into the military service or they hurried away to industrial plants where they could make three

or four times what they had been receiving on the farm.

The demand of the President for a law at the hands of Congress to place a ceiling on farm products—while he made no such demand for a law placing a ceiling on wages, although he asserted that they would be stabilized—left many Members of Congress and the farm organizations dissatisfied and suspicious. They saw no reason why there should be law for the farmers and none for labor. They and their friends in Congress set to work therefore to write into the bill a provision that would give the farmer the right to have the cost of farm labor considered in arriving at the parity price of his produce. They also wrote into the bill provisions dealing with wages. These provisions direct the President to promulgate regulations controlling wages.

THE DEADLINE

Further, the Senate, which is now considering the bill, has before it a provision directing the President to issue a general order stabilizing prices, wages, and salaries affecting the cost of living "on or before November 1, 1942." In other words, a deadline is set for the President—just as he set a deadline for Congress to act by October 1, 1942. The deadline set for the President is just 2 days before the elections.

The House has been denounced widely because of its action on the farm price-control bill. The Senate is expected to act today. Senator THOMAS of Oklahoma has offered an amendment directing that in fixing parity prices the cost of farm labor must be included. Well, the costs of farm labor have increased greatly, which would have the effect of increasing the parity prices. It has been shouted from the housetops that to accept the House version of the bill or the Thomas amendment would be to increase the food bill of the American people by \$3,500,000,000 a year. If it does, the money would not go to the farmer, or comparatively little of it would. The farmers feel seriously the increases they must pay for farm help. Hence the demand.

The present struggle in Congress between the President and the legislative branch over farm prices has been called an epic struggle, upon the outcome of which may hinge the continuance of the American form of government. The Chief Executive and Congress have had other struggles, just as important at the time, during many years. The American form of government has continued to stand.

No one wants inflation in this country. There are too many groups and blocs seeking to make all the money they can out of these war conditions. But to pile all the blame on the farmers for present conditions is ridiculous.

Mr. THOMAS of Oklahoma. Mr. President, I submit a new section to be added to the joint resolution.

The PRESIDING OFFICER. The clerk will state the proposed amendment.

The CHIEF CLERK. It is proposed to add at the proper place in the joint resolution a new section, as follows:

SEC. —. In order to promote and to secure the necessary production of any commodity or group of commodities deemed essential to the war effort, the President is hereby authorized to appoint a Director of Supplies applicable to the commodity or group of commodities of which there is either a shortage or a threatened shortage.

Mr. THOMAS of Oklahoma. Mr. President, the proposed amendment is only permissive; it is not directive. I am convinced that at the present time there is a shortage of beef products. I do not desire to take the time of the Sen-

ate to call attention to the evidence supporting that conviction. If the proposed section is adopted and becomes a part of the pending measure, at any time a shortage in a particular commodity should develop the President would have the power to appoint a Director of Supplies to secure an increase in production of that commodity.

I have in mind the recent appointment of the Director of Rubber Supply. I feel certain that appointment will result in a production of rubber as fast as humanly possible. Having that in mind, I hope the pending amendment will be agreed to and taken to conference.

Mr. BARKLEY. Mr. President, the President already has authority sufficient to do the very thing suggested by the able Senator from Oklahoma. We did not give him any power to appoint a Director of Rubber Supply; he already had it, by reason of the war powers authority which had been conferred upon him. He may appoint any director or any supervisor or anyone having to do with the war effort, as he thinks wise. If we should include an amendment such as that which has been offered by the Senator from Oklahoma and the President did not operate under it, I think it is probable that someone would criticize him for not carrying out the purpose of Congress. We have already conferred upon him the fullest power and authority, and he does not have to come to Congress for any more power to appoint anyone over anything affecting the war effort.

Mr. TAFT. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TAFT. I merely want to call attention to the fact that under section 2 (e) of the Price Control Act the Price Administrator is already authorized to guarantee prices to secure maximum production and, of course, that was a general War Powers Act, and the President may transfer the control of it to any committee or to anyone else.

Mr. BARKLEY. That is undoubtedly true.

Mr. THOMAS of Oklahoma. I shall now take the liberty of calling attention to the present shortage in the beef supply, and there has been no director appointed as yet to promote the production of beef.

The Secretary of Agriculture recently made the following statement:

Food will win the war and write the peace.

I quote from the New York Times of September 25, 1942. The first article is under the following heading:

Wickard demands weekly meat cut to 2½ pounds each—Secretary limits deliveries to retailers by 21 percent for the next 3 months—military needs are told—Army, Navy, lease-lend uses are put at 6,000,000,000 pounds—Office of Price Administration prepares rationing.

I next call the attention of the Senate to an article appearing in the Washington Post on September 27, 1942, under the following heading:

Rationing all foods probable for next year—Agriculture Department warns shortage becoming acute.

I next refer to the front page of a publication called *The Prairie Farmer*. The leading article is under the following headlines:

Labor shortage threatens food output—Prairie Farmer survey in 81 counties reveals need for soldiers on farm front if world is to eat in 1943.

In the middle of the page I find the following text:

Prairie Farmer asked these farm labor questions of 81 farm advisers and county agricultural agents in Illinois, Indiana, Wisconsin and Michigan. Their answers spell lower food production in 1943:

Is there a labor shortage in your county now? Yes—67; not serious—12; not yet—2.

Can your county produce as much food in 1943 with the present labor supply? No—41; doubtful—9; yes (if can keep present farm labor)—31.

At the present rate of drafting farm boys and farm hands, will any land in your county lie idle next year? Yes—53; probably—9; won't be farmed as well—16; no—4.

Mr. President, I also call attention to a statement appearing in the *Farmer-Stockman of Oklahoma*. The article appeared in the October number of the publication. I am not sure this issue is yet in circulation, but when the issue does appear it will contain a full page under the heading, "Talks with our readers by the editor."

I desire to call attention to a few of the paragraphs from this article, as follows:

FARMERS CAN'T COMPETE

Wages paid to labor today in war industries and in government construction projects leave no possible basis on which farmers and stockmen can compete.

A weekly wage for common labor starts at \$35 and quickly goes up to \$50 and more. Boys under 20 with little or no mechanical training are started at 95 cents an hour at some places, which modest stipend brings in \$45.60 for 48 hours.

Little wonder many small farmers right now are rushing the harvest in order to close up or sell out to get jobs in defense industries. Some quit or sold out before harvest.

It appears that the farm hand may soon disappear for the duration. Why shouldn't he? Why work for parity farm wages when other wages are double or more?

We are glad to see these farm hands and ex-farmers pull down some good money. They have never been overpaid and often underpaid. And we are not advising them what to do. If we did it would do no good.

We are only again inserting into the record the fact these high wages have stripped farm regions—or soon will—of manpower not subject to the draft which fact will show up in reduced farm production in 1943.

For that smaller production the farmer will in nowise be to blame. We would like to put that in the record, also.

Mr. President, I call attention to another publication published in my State, the *Tulsa Tribune*, of date September 25, 1942, which I have before me. On one of its pages are printed several pictures of farm sales. It shows that the farmers in that section of the State are selling everything they have. From the article printed in connection with the pictures I quote from an auctioneer as follows:

"They're all selling out," Bowline said. "Either they can't get help for their farms, they can't get transportation to and from

their farms, or they are going into the service."

Further along in the article a farmer, Mr. Barlett, is quoted as saying:

What is the farmer going to do about it? He can't compete with highly paid jobs when it comes to hiring men. And if they put a ceiling on the price of livestock, there won't be a chance of making anything. A lot of farmers are selling out right now before they lose their shirts.

Mr. President, I have before me another newspaper published in my State, the *Tulsa Daily World* of September 23, and I quote from it, as follows:

LABOR SHORTAGE THREAT TO FOOD SUPPLY IN TULSA—500 MEN TO DEFENSE JOBS IN CANADA AND ALASKA, CHAMBER OF COMMERCE TOLD

More than 500 men have been recruited from the Tulsa area for defense jobs in Canada and Alaska, it was revealed here Tuesday a few hours after directors of the chamber of commerce heard predictions that a general food shortage may result from loss of farm labor.

John Rogers, former president of the chamber, declared in the weekly directors' meeting that milk rationing is near in Tulsa because the dairies cannot get necessary men, and declared these high wages are taking the men away, and we are going to see all kinds of food rationed if we don't keep the people on the farm.

J. W. Campbell, employment officer for three companies engaged in defense work in Canada and Alaska, said that more than 500 men have been employed here and others will be engaged.

"We have no trouble getting men because of the wages we pay," he said, pointing out that a carpenter is paid \$1.50 an hour and common laborers \$1 an hour for the 40-hour week. In Canada a carpenter might make \$450 a month, and his room, board, and laundry would be furnished.

In Alaska the men would pay \$1.25 a day for room and board.

The men are sent on the first leg of their journey in Pullmans, and are flown the last 1,000 miles to their locations.

Mr. President, my purpose in offering the amendment was to make the Record. To me it is obvious that a meat shortage threatens the people of the United States. In order to prevent a meat shortage steps should be taken, and taken now. The only way a meat shortage can be prevented is to take steps to see to it that we have meat, and that can be obtained by an increased production of cattle, an increased production of hogs, an increased production of sheep, and an increased production of poultry. The matter is so serious as to demand attention and at once. I can do no more than call attention to the problem and to place in the Record my statement of this fear of a meat shortage, and to refer to some of the evidence which supports my statement.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS].

The amendment was rejected.

Mr. SHIPSTEAD. Mr. President, in view of the President's speech on Labor Day, and in view of the scandalous and venal attacks upon the farm bloc by the newspapers and subsidized radio commentators, I ask that the clerk read at the desk an article by George E. Sokolsky, published in the New York Sun of September 29. I wish to compliment the

New York Sun for printing such an illuminating and sensible article.

The VICE PRESIDENT. Without objection, the clerk will read as requested. The Chief Clerk read as follows:

THESE DAYS

(By George E. Sokolsky)

LET'S WATCH OUR STEPS

The debate over inflation has turned itself into a debate over farm prices; the debate over farm prices has become a debate over the effectiveness of Congress; the debate over the Congress raises the issue as to whether we shall remain a democratic republic or be translated into a totalitarian tyranny. The realistic explanation of this most unfortunate denouement to the President's ultimatum to Congress lies in the very serious question of rising wages—and that, the crux of it all, is not being debated. That is political dynamite on the verge of an election.

WORKERS FOR THE FARMS

It is not only industrial wages but agricultural wages that raises riot with us these days. When Senator Hatch threw the responsibility for feeding the Nation upon those who were opposing the farm bloc he was daringly challenging the President and the big-city economists who were missing the issue altogether. To them this is a struggle for power between farm politicians and the administration. But the fact is that this country will not be fed unless farm wages can compete with industrial wages so that the pull of workers off the farm ceases.

In this country most of us are being fed not by the small farmer who works a few acres himself, but by the large farmer who raises surplus crops, such as our grain farmer in the Northwest, the beet-sugar farmer of Utah, the fruit and vegetable farmer of California, and so on. These farmers depend on large masses of seasonal labor, often migratory labor, which has to be paid in some relationship to what the product will bring in the market. That labor has become frighteningly scarce. In California the elimination of the Japanese has made a more serious void than we have been told. The authorities in Washington have been suggesting Negro labor from the South, but this has generally met with disapproval for many reasons. The Californians desired Mexican labor which, again for many reasons—some very idiotic ones—has not been made available. The result is a food tragedy.

Now this problem is not going to be solved by ultimatum, by ridicule of Congress, or by prejudice. It involves complicated economic and social situations, regionally understood but misunderstood altogether on the east coast. If handled incorrectly we are in for a famine, because while you can argue all you like about such a political question as a second front, there is no argument about unplanted seed. What does not go into the ground will not come out of it. And even when a crop does appear it has to be harvested by competent hands or there will be no food. This is not politics; it is agriculture, which is the essence of the life of any people.

Of course, we can substitute slave labor for free labor on the farms. That would be a short-cut solution. We might station guards with machine guns to see that the crops are harvested. Those who talk glibly about forced labor, about shifting manpower to where it is most needed, and about making men work or fight—they do not begin to appreciate the magnitude of the farm problem.

FARMING IS SKILLED WORK

Farming in every phase is skilled work—skilled in its own way. To the city slicker the farmer may look like a dope, but the city slicker would not know what to do when he saw cabbage moths hovering over his young plants; he would not know how to milk a

cow or how to keep the chickens from dying; he would not know how to anticipate a frost. I have seen these lily-handed gentlemen put their money into the soil and it remained buried there because the soil is not interested in money or politics; it concerns itself with seed and fertilizer and the proper amounts of water and sun, and the care of soil and plant by firm and trained hands. Politicians may argue and great economists may debate, but unless the seed goes into the ground and is properly handled and harvested, the Nation will starve.

The question then is what to do. Certainly the way is not to keep prices of manufactured goods high and farm prices stationary. That will not work. The way must be to keep all prices at a safe level. And that must include factory labor.

Mr. TAFT. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Ohio will be stated.

The CHIEF CLERK. On page 5, after line 15, it is proposed to insert the following new subparagraph:

(b) The President shall have power by regulation to limit or prohibit the payment of double time except when, because of emergency conditions, an employee is required to work for seven consecutive days in any regularly scheduled workweek.

And at the beginning of line 16, to strike out "(b)" and insert "(c)."

Mr. TAFT. Mr. President, the purpose of this amendment is to give the President the power to limit the payment of double time on Sundays and holidays. The President has already issued an order, but I think there is some doubt about its validity, although perhaps if it is read to relate solely to war work, it may be valid. On the other hand, certainly no penalty is attached to it. I believe that we should give him the power to limit the payment of double time on Sundays. Evidently he feels that it should be done.

I hope that the Senator in charge of the bill [Mr. Brown] will accept the amendment.

Mr. BROWN. Mr. President, the Senator from Ohio showed me the amendment. As I understand, it would authorize the President to limit or prohibit double time. It would not, of course, direct him to do so.

Mr. TAFT. It would not direct him to do so, but since he has already done so, presumably he would act under that authority. The amendment would subject any violation of his regulations to the penalty contained in the joint resolution, whereas under the Executive order there could be no penalty.

Mr. BROWN. Under the terms of the Senator's amendment, would the President have the right to make exceptions?

Mr. TAFT. Under the word "limit" he might limit it in any way he saw fit.

Mr. BROWN. In the opinion of the Senator, could he make exceptions in cases in which he thought it was necessary to do so?

Mr. TAFT. Yes.

Mr. BROWN. I am satisfied.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. Taft].

The amendment was agreed to.

Mr. BALL obtained the floor.

Mr. TAFT. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Gillette	Overton
Andrews	Green	Pepper
Austin	Guffey	Radcliffe
Bailey	Gurney	Reed
Ball	Hatch	Reynolds
Bankhead	Hayden	Rosier
Barbour	Herring	Russell
Barkley	Hill	Schwartz
Bilbo	Holman	Shipstead
Bone	Johnson, Calif.	Smathers
Brewster	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Tunnell
Chandler	McKellar	Tydings
Chavez	McNary	Vandenberg
Clark, Idaho	Maloney	Van Nuys
Clark, Mo.	Maybank	Wagner
Connally	Mead	Walgren
Danaher	Millikin	Walsh
Davis	Murdock	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	
Gerry	O'Mahoney	

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

Mr. BALL. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Minnesota will be stated.

The CHIEF CLERK. On page 4, line 14, after the words "Sec. 4" it is proposed to insert "(a)."

On page 5, after line 6, it is proposed to insert the following new subsection:

(b) Except as hereinafter provided, no employer shall increase the salary or the straight-time hourly wage rate of any of his employees unless such increase has been approved by the President or such agency as he may designate to administer this subsection. No increase in salaries or in straight-time hourly wage rates above those being paid by the employer for the same general work on September 15, 1942, shall be so approved unless such increase (1) does not raise such salaries or straight-time hourly wage rates more than 15 percent above the average salaries or straight-time hourly wage rates for the same general work prevailing in the affected industry on January 1, 1941, or (2) is found by the President or such designated agency to be necessary to correct gross inequities or to maintain or increase essential production. This subsection shall not apply in the case of (1) any salary increase which does not increase the salary of the affected employee to an amount in excess of \$5,000 per annum, (2) wage increases which do not increase straight-time hourly wage rates of affected employees to an amount in excess of 60 cents per hour, (3) wage increases which affect fewer than 25 employees of a particular employer, or (4) any salary or wage increase which compensates the affected employee for added responsibility or added work resulting from a promotion. The President or such designated agency shall define the conditions under which such approval shall be required in the case of salaries or wages paid to new employees by an employer.

Mr. BALL. Mr. President, we have spent a week debating the various provisions of the joint resolution covering ceilings on farm prices. The aggregate income of the farmers of America is about \$15,000,000,000 a year. The aggregate total of wages and salaries being paid today is about \$75,000,000,000, or five times as much.

I believe that rapidly increasing wages and salaries are far more inflationary in our economy than are farm prices, which we have been discussing for a week. It is the purpose of the amendment which I have offered to write into the bill a specific formula for establishing ceilings on wages and salaries. The people of my State are perfectly willing to accept stabilization of our economy and freezing of prices, provided they are sure that the freezing or control goes clear across the economic board, and that no individual or group will escape control. We can be reasonably sure that prices will be frozen under the terms of the joint resolution which we are considering today. All prices except those of farm commodities have been frozen at the highest levels of March.

We know that the prices of farm commodities are to be frozen as of September 15, if the pending measure be agreed to. As a matter of fact, in section 2 of the Price Control Act, approved last January, Congress fixed definite standards for arriving at ceilings on prices.

I myself think that the prices of farm products will have to be increased in order to increase their production, but such increases will mean no additional net income to farmers. They merely will cover increased costs of production.

However, as the joint resolution now stands it provides no standards for applying ceilings to wages. All we have is the provision of a floor, a provision that the President shall not decrease salaries below the highest level obtaining between January 1 and September 15. I think that the people of the United States, and I know that the people of Minnesota, farmers, small business men, white-collar workers—and thus far the white-collar workers have taken the worst squeeze of all in the inflation spiral—and even the rank and file of labor itself are ready and willing to accept real stabilization provided they are certain that it goes clear across the board and applies equally and fairly to everyone. I think they are entitled to such an assurance from Congress, but I do not believe they can have any real assurance of it unless we write into the pending measure a formula for stabilization of wages, a ceiling on wages, if you please, for the people know that there is a ceiling on prices; they know what it is and how it works; they know how the ceilings on farm prices work; but not one man in one hundred knows how the Little Steel formula works. Not even employers and employees know how it applies.

So I believe that it is the obligation of Congress to write into the pending measure a specific formula to control the \$75,000,000,000 of purchasing power and to see that it does not increase. Unless we do that, all we shall accomplish by the

pending measure will be to slow down the spiral a little; but it will keep right on going up, because we cannot hold down prices if we let wages and salaries continue to rise. What I have just now stated is the major purpose of the amendment.

The other purpose is to provide direct control over wages and salaries. As the joint resolution now stands, the only way the President could carry out the directive of Congress to stabilize wages would be by indirectly doing so by means of his power to decide, through the Army, the Navy, or the Maritime Commission, what were allowable costs in war contracts, or to decide what should be allowed by the Treasury Department as tax deductions, or through maximum prices as fixed by the Office of Price Administration. In other words, we should be doing indirectly the wage and salary stabilization job—which is the most important job to be done in stabilizing our economy—instead of attacking the task directly, and simply saying that no wages and salaries shall be increased without the approval of the President.

My amendment was tentatively written into the pending joint resolution in the Committee on Banking and Currency. It was taken out by a vote of 12 to 7, after Philip Murray, president of the C. I. O., had telegraphed to the chairman of the committee his objections. The objection to writing a definite formula into the pending measure is that the Little Steel formula would permit any wage increases which would not bring the total increase since January 1, 1941, to more than 15 percent. That much was allowed because at the time when the formula was decided upon and was fixed by the War Labor Board the cost of living had gone up approximately 15 percent.

The reason for the desire not to freeze that formula into the pending measure is that those who take that position believe that the cost of living will continue to rise. I myself think that it will do so. They will want to change the formula when the cost of living goes up another 4 or 5 percent; and in that event we shall have another increase of 4 or 5 percent in wages, and then prices will have to chase them up again, and then we shall be back in the old spiral.

Provision for such an increase is not needed, because the wage formula is based on straight-time hourly wage rates. I cite the following figures which I have received from the Department of Labor:

In the manufacturing industry, straight-time hourly wage rates increased 17 percent between January 1, 1941, and May 1, 1942. In other words, the overwhelming majority of employees in our manufacturing industries already have had all the wage increases that would be allowed under the formula; and those increases have been made on a straight-time hourly wage rate basis. When we consider their average weekly earnings—which are the real criterion, because the housewife does not buy groceries out of the weekly rate, but out of the weekly pay envelope—we find that the average weekly earnings in the manufacturing industries have increased 35 percent during

that period. In other words, the average weekly earnings are still far ahead of the increase in the cost of living.

At any rate, I think it is time that we recognize that we cannot have both guns and butter, that we cannot fight a total war, and at the same time maintain our peacetime standards of living.

We shall not be able to increase our incomes in order to meet every increase in the cost of living. Everyone will have to make sacrifices.

In the committee there was some question about the exemptions provided on page 2 of the amendment. First, the formula simply provides that no advance in wages—and no advance in salaries, either—which increases the average hourly rate more than 15 percent above what the employee was receiving on January 1, 1941, shall be approved, and that no employer may grant such an increase unless it is approved.

The second proviso grants the President or such agency as he may designate authority to approve increases beyond the 15 percent, when necessary in order to correct gross inequities, or when necessary—as in the case of copper mining in the West—in order to maintain or increase essential war production. I think we need such flexibility in the measure.

Then I have exempted from the general requirement of approval of all increases by the President, salary increases which do not raise the employee's salary to more than \$5,000 a year. I have exempted wage increases which do not increase the hourly rate of the employee's wages to more than 60 cents an hour. I have also exempted wage increases which are of a promotional nature and wage increases which affect fewer than 25 employees of a particular employer. The latter provision is simply in order to take care of large companies which have dozens of wage adjustments to act on every day. They are not general wage increases; they are not inflationary. They are simply the ironing out of inequalities.

Provision for those exemptions is included in the subsection simply in order to make it practicable of administration, for I do not believe we can have every employer of one or two persons coming to Washington in order to obtain approval of wage changes for his employees.

I should like to point out, however, that the exemptions apply only to that subsection; and they would leave completely unimpaired the President's authority under section 1, under the other subsections of section 4, and under section 5, to handle wages. He would be exempt from the particular requirements of the subsection; he would be able to handle wages in any way he might see fit to handle them. If he desired to go below 60 cents an hour he could do so; he could make every employer comply if he desired to do so.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. VANDENBERG. In his message on April 27, the President said:

I believe that stabilizing the cost of living will mean that wages in general can and should be kept at existing scales.

In his radio broadcast of the same week the President said:

Do you work for wages? You will have to forego higher wages for your particular job for the duration of the war. Wages in general can and should be kept at existing scales.

If I correctly understand the able junior Senator from Minnesota, he is suggesting that Congress practice what the President preaches. Is that correct?

Mr. BALL. That is absolutely correct. I think we owe it to the country to do so. The people of the United States are perfectly willing to undertake to make any sacrifices necessary to be made in order to win the war, but they want the assurance from Congress that their sacrifices are to be shared equally by every group in America. I do not think they have confidence today that that will be done.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, I shall take but a few minutes in the discussion of the pending amendment. Of course, I appreciate the sincerity of the Senator from Minnesota in offering his amendment, but I think it injects an element into the provisions of the joint resolution which would be difficult to enforce and which would produce confusion in the administration of the proposed act. Under the terms of the joint resolution as it has been perfected up to now the President would have the authority to stabilize wages and prices.

In advance, I desire to say that the Senator from Minnesota is not quite accurate in stating that the amendment was tentatively agreed to in the committee. What happened was that a number of amendments or suggestions were brought before the committee and discussed, and the amendment which the Senator has offered had not been reduced to writing at the time the committee adjourned, and it was understood that it could be and would be reduced to writing by the Senator and printed in the bill in italics so that we would have it before us the next day. The next day, when we had it before us and considered it, it was defeated, as the Senator stated, by a vote of 12 to 7. It had not been tentatively agreed to when it was printed in italics in the joint resolution.

Mr. BALL. It is just a question of interpretation.

Mr. BARKLEY. Very well. This is a rather awkward amendment. It starts out by saying:

Except as hereinafter provided, no employer shall increase the salary or the straight-time hourly wage rate of any of his employees unless such increase has been approved by the President or such agency as he may designate to administer this subsection.

That is in effect a repetition of what the joint resolution already provides, because these stabilizations must be approved by the President of the United States. The amendment then provides that he shall not approve any such increase except under four separate conditions, which are set out in the negative:

No increase in salaries or in straight-time hourly wage rates above those being paid by

the employer for the same general work on September 15, 1942, shall be so approved unless such increase (1) does not raise such salaries or straight-time hourly wage rates more than 15 percent above the average salaries or straight-time hourly wage rates for the same general work prevailing in the affected industry on January 1, 1941.

In addition to the effort of the Senator to fix a limitation by law beyond which no increase in wages can go, I think it would operate as an invitation to all those who have not had any 15-percent increase to make application at once, because it would be regarded as a congressional sanction for an increase of 15 percent.

The Little Steel formula, which has been worked out by the War Labor Board, was based upon wages which existed on January 1, 1941, and in view of the estimated increase in the cost of living by 15 percent, at the time that formula was written, the Board adopted 15 percent. Of course, since that time the cost of living has gone up to 19 percent; but that was not taken into consideration, and is not now being taken into consideration, in determining the 15 percent.

For this reason I think the War Labor Board or the President himself would find difficulty in administering these rather complicated provisions of the amendment. I think that if we in the law set the 15 percent limitation as the ceiling, we automatically invite all those who have not yet received the 15 percent increase to come in and ask for it.

Mr. BALL. Will the Senator yield?

Mr. BARKLEY. We do not have to look after the interest of those people by fixing the ceiling, and we do not have to invite them to make an application. They are qualified to take care of themselves, and whenever they think they are entitled to an increase, they can apply for it. We do not have to put into the law an inferential invitation for them to do so. I now yield to the Senator from Minnesota.

Mr. BALL. Does the Senator recall that chairman Davis, of the War Labor Board, in testifying before the committee, said that when the War Labor Board fixed the formula, three-fourths of all employees had already received the 15 percent, and that since the Board had been operating under the formula, half the remaining fourth have received it? That does not leave very many who are out of it.

Mr. BARKLEY. He was referring, of course, to those whose cases had been before the War Labor Board.

Mr. BALL. He was referring to all manufacturing industries.

Mr. BARKLEY. The Board does not have jurisdiction over labor rates unless a case is brought before them. They do not have any jurisdiction to go out and cruise around over the labor field. They are like courts in that cases have to be brought to them before they can pass upon them.

Mr. BALL. I remember inquiring of Mr. Davis as to that, and he was referring to all manufacturing industry, not merely to cases brought before the Board.

Mr. BARKLEY. Even if that be true, he was referring to manufacturing industries in which there are organiza-

tions of workers who have, through collective bargaining, worked out their rates of pay, and, where they have not been able to agree, they have come to the War Labor Board. But, as I stated a few days ago, among all the 50,000,000 wage earners of this country, there are only about 12,000,000 who are organized, or belong to any labor organization. There are about 38,000,000 workers in all branches, such as clerks in dry-goods stores, grocery stores, laundry workers, and many other classes of employees, who do not belong to any organization. Therefore, while they legally have the right of collective bargaining, they do not actually enjoy it, because they have no agency through which they can exercise it.

The amendment provides:

This subsection shall not apply in the case of (1) any salary increase which does not increase the salary of the affected employee to an amount in excess of \$5,000 per annum.

So in determining whether the President, in putting a ceiling on wages and salaries, may exercise the authority conferred by the amendment, a line is being drawn between those who receive less than \$5,000 and those who receive more.

I do not wish to go into the different theories by which we are dealing with wages and prices, because that has been a controversial matter during all the time we have had the joint resolution before us for consideration. However, we have not put a ceiling on agriculture, as the Senator from Minnesota has said. We have provided that no ceiling can be put on agriculture that is under limits which we have set. The administration cannot go below that floor, but they can go as high as they wish. We have not put a floor under any wages in any law which we have enacted.

The proposed amendment seeks to put a ceiling not only on wages and salaries, in instances where employees draw less than \$5,000, but where the rate is 60 cents an hour, which is \$6 a day for 10 hours, or \$4.80 for an 8-hour day, the President is, by the rather roundabout way, negative way, in which the amendment is drawn, limited in his power even to approve an increase in wages agreed to by an employer who would raise the pay above \$4.80 a day for an 8-hour day, or \$6 a day for a 10-hour day.

It seems to me that, in addition to bringing in the element of confusion, not only so far as the President is concerned, but as applying to the War Labor Board as well, and adding to the difficulty of administration, the amendment would open the way by which those who have not made application for an increase in wages might look at the law and say, "This is what Congress has said about it; they have said by indirection, at least, that we are entitled to a 15-percent raise in our wages and salaries, and therefore we will proceed to see if we cannot obtain it."

It seems to me we have amply taken care of both the labor situation and the price situation in the joint resolution, and that the amendment should not be agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment of the

Senator from Minnesota [Mr. BALL]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. McNARY (when Mr. AUSTIN's name was called). The senior Senator from Vermont [Mr. AUSTIN] is necessarily absent. He is paired on this question with the Senator from Pennsylvania [Mr. GUFFEY], who, if present, I am advised, would vote "nay." If present, the Senator from Vermont would vote "yea."

Mr. WAGNER (when his name was called). I have a general pair with the Senator from Kansas [Mr. REED]. I transfer that pair to the Senator from West Virginia [Mr. KILGORE] and will vote. I vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Missouri [Mr. TRUMAN] and will vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW] is necessarily absent.

The Senator from Pennsylvania [Mr. GUFFEY], the Senator from Nevada [Mr. McCARRAN], the Senator from Missouri [Mr. TRUMAN], and the Senator from Maryland [Mr. TYDINGS], are absent on important public business.

The Senator from West Virginia [Mr. KILGORE] is absent on official business in connection with the Committee to Investigate National Defense.

Mr. McNARY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

The Senator from Maine [Mr. BREWSTER] is absent on business of the Senate in connection with the work of the Truman committee.

The Senator from New Hampshire [Mr. TOBEY] has been called from the Chamber necessarily.

The vote was announced—yeas 12, nays 69, as follows:

YEAS—12

Ball	Byrd	Thomas, Idaho
Barbour	Holman	Vandenberg
Burton	Millikin	White
Butler	Taft	Willis

NAYS—69

Aiken	Gerry	O'Daniel
Andrews	Gillette	O'Mahoney
Bailey	Green	Overton
Bankhead	Hatch	Pepper
Barkley	Hayden	Radcliffe
Bilbo	Herring	Reynolds
Bone	Hill	Roster
Brooks	Johnson, Colo.	Russell
Brown	La Follette	Schwartz
Bunker	Langer	Shipstead
Capper	Lee	Smathers
Caraway	Lodge	Smith
Chandler	Lucas	Spencer
Chavez	McFarland	Stewart
Clark, Idaho	McKellar	Thomas, Okla.
Clark, Mo.	McNary	Thomas, Utah
Connally	Maloney	Tunnell
Danaher	Maybank	Van Nuys
Davis	Mead	Wagner
Downey	Murdock	Wallgren
Doxey	Murray	Walsh
Ellender	Norris	Wheeler
George	Nye	Wiley

NOT VOTING—15

Austin	Guffey	McCarran
Brewster	Gurney	Reed
Bridges	Hughes	Tobey
Bulow	Johnson, Calif.	Truman
Glass	Kilgore	Tydings

So Mr. BALL's amendment was rejected.

Mr. CLARK of Missouri. Mr. President, I call up an amendment in the nature of a substitute, which has been printed and is on the desk, and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and to insert in lieu thereof the following:

That in order to aid in the effective prosecution of the war, the President is authorized and directed on or before November 1, 1942, notwithstanding the provisions of any other act, to issue a general order stabilizing prices, wages, and salaries affecting the cost of living, and such stabilization shall be on the highest levels which existed between January 1 and September 15, 1942.

SEC. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this joint resolution, and may exercise any power or authority conferred upon him by this joint resolution through such department, agency, or officer as he shall direct.

SEC. 3. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this joint resolution. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

(b) Any person who willfully violates any regulation promulgated by the President under this joint resolution relating to wages or salaries shall, upon conviction thereof, be fined not more than \$1,000.

SEC. 4. The provisions of this joint resolution, and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

Mr. CLARK of Missouri. Mr. President, in view of the spectacle which has been presented to the country in the past 2 days by the United States Senate, when yesterday afternoon it marched bravely up the hill, banners shining, bands playing, and flags flying, and today, with the same panoply and ceremony, marched bravely back down the hill, I have no illusions as to the fate of the substitute which I have offered. Nevertheless, I desire briefly to explain the views which I entertain as to this legislation, and to tell a few plain truths, unpalatable though they may be to some of my colleagues.

The dangers which are inherent in unrestrained inflation have not been overstated by the President. It is not too much to say that these dangers can scarcely be exaggerated by anyone.

Last January, with the best of intentions, the Congress passed and the President signed a price-control bill which I considered then and denominated on this floor as a miserable makeshift, certain

to prove woefully inadequate as a check upon inflation, certain to so speedily demonstrate its own weakness and inefficiency as to make inevitable an imperious demand for more comprehensive and stringent measures. That this conclusion was correct has been completely demonstrated by subsequent events, by the language of the President's Labor Day message, and by the course of the debate in this body upon the pending measure. I greatly fear, Mr. President, that the pending measure in its present form contains within itself many of the same seeds of inevitable failure which led to the futility of the existing law.

The Senator from Michigan himself did not believe that the bill which we passed last January was a perfect measure, and frankly so stated on the floor of the Senate, but he believed that it was the best which could be obtained at that time. At that time I very reluctantly followed his leadership and voted for the bill.

I was one of the Senators to whom the Senator from Michigan showed his formula for the present measure before he set out upon its actual preparation. I wholeheartedly approved that formula, as did nearly everyone else to whom he showed it. But, Mr. President, the joint resolution, as it emerged from the vicissitudes of the committee, bears only a faint and most repellent likeness to the formula with which the Senator from Michigan started. Instead of boldly striking at the very heart of inflation by fixing prices, wages, and salaries by legislative enactment, it launches upon new grants of power and sets up new discretionary controls with the probability of divergent and contradictory policies by the various administrators and agencies who will be delegated to exercise these vast discretionary powers, with results which are likely to mean confusion worse confounded.

I believe that the substitute which I am proposing is much more nearly akin to the original formula of the Senator from Michigan than is the joint resolution as it was reported from the committee. I believe that the time has come at long last in this great emergency for the Congress of the United States to rise to its great responsibility and deal with the deadly menace of inflation by legislative enactment rather than by craven shifting of our responsibility to administrators—for we all know that the President, with his multitudinous responsibilities, cannot handle these matters personally, but must do so through appointive agencies.

Mr. President, I do not wish to bore the Senate with quotations from my own speeches, but I believe that I can most briefly explain my views upon the pending measure by a short quotation from some remarks which I made at the time of the passage of the existing law.

At the time of the adoption of the conference report upon the price-fixing bill on January 27, 1942, I said:

I intend to vote for this conference report, but not because I believe it is a good bill. I think it is a bad bill; I think it is an improvident bill; I think it is an incomplete

bill. I think it is a bill which is so incomplete that it will almost immediately demonstrate the necessity, the imperative necessity, for its amendment.

I intend to vote for the conference report because I believe it is the best that can be done at this particular moment, and I believe that Congress has already dawdled in the passage of this very important measure altogether too long. I had rather vote for a bill—incomplete as this bill is, imperfect as it is, certain as I believe it to be that it will prove inadequate—which enables the Price Administrator at least to set up his machinery under some semblance of law, than to send the bill back to conference and start it back through the legislative mill of consideration by the two Houses, and compel the Price Administrator, or whatever other authority the President may designate, to continue to operate under no authority of law whatever.

It seems to me to be so plain as to be undeniable that the only possible way by which inflation can be controlled or curbed is by an over-all control, a control which would take into consideration all the various elements going into our economic and price structure; and when I say that I include wages, commodity prices, industrial prices, transportation, rent—all the other elements which go to make up prices.

I think that sooner or later—and heaven knows how much the penalty may be to the people of the United States by reason of the delay—the Congress will have to face its responsibility of saying that we shall start out, not with piecemeal regulation, not regulation of one industry at a time, not regulation of one commodity price at a time, but start out by having the courage and the industry to set up a parity for agricultural commodities, for wages, including agricultural wages, for rents, and for every other economic interest which goes into our whole structure, and then by giving the Price Administrator the authority to take into consideration unusual circumstances in any particular industry, and make an exception to whatever extent may be necessary.

I shall, therefore, vote for the conference report, not because I believe, with the majority leader, that is a good bill, but because I believe more harm would be done through delay in setting up the legal machinery for price control than will be done through the inequalities of the bill which we are about to enact. But I predict now that it will be necessary to come back in the very near future and undo the work which we have been doing for the last 6 months, and in which we have been dawdling along, while the inflationary curve has been rising constantly, and we have been failing to look the situation in the face and impose over-all control.

Mr. President, I make no pretense to being a prophet or the son of a prophet; but it is a melancholy and undeniable fact that this prediction has come true, and that for many months inflation has been gaining headway by reason of the very deficiencies of the act of which I then complained.

Incidentally, I may say that I followed the majority leader and voted against the amendment to that bill offered by the Senator from Alabama [Mr. BANKHEAD] giving the Secretary of Agriculture a veto power over the decisions of the Price Administrator, because I thought this would be a delusion and a snare to the farmer. Beyond controversy this speedily proved to be true when the Secretary proceeded to sell the farmers down the river.

Let me for a moment discuss the background of the Price Fixing Act of Janu-

ary, 1942. It is necessary to an understanding of the present situation.

That act came to us as an administration measure. I was one of those who was opposed to the provision for 110 percent of parity in the existing law, because I was opposed to the thing which made 110 percent of parity possible and necessary. That was the omission or exclusion of any control of wages and other elements of the price structure.

Both the 110 percent of parity and the omission of wage controls were actively supported by the administration leaders. The Senator from Kentucky the other day in a colloquy with the Senator from Wyoming raised some questions as to the President's attitude about exclusion of wage controls. He said the President never said that he was opposed to wage control. Well, I don't remember to have ever heard any direct public expression from the President, but I do know that Mr. Henderson, Mr. Ginsburg, and other administration officials were active in the preparation of the bill, and that numerous Cabinet officers and other administration officials were busy lobbying for it. I know the opinion that Mr. Henderson gave in his appearance before the committee; he spoke in favor of providing for 110 percent of parity, and for the exclusion of wage control. A whole battalion surrounded the Capitol with ranks closed up and serried.

I know that I heard the majority leader, the Senator from Kentucky [Mr. BARKLEY], stand on this floor and argue eloquently against any wage control. I know that Speaker RAYBURN and House majority leader McCORMACK took the same position.

Abraham Lincoln, in speaking of the Dred Scott decision, once said that if a stranger traveling through a vast forest saw in widely separated parts of the forest, apparently unconnected and unknown to each other, James and Franklin and Stephen and Roger busily at work cutting down trees and hewing out timbers and shingles for a house, and if at the conclusion of their work the products of their labors were assembled at some central place, and if it were found that the timbers and joists and other parts fitted exactly for the erection of a splendid edifice, then reasonable men would conclude that James and Franklin and Stephen and Roger were acting in pursuance of some prearranged plan.

So, Mr. President, when we have observed Alben and Leon and Sam and John busily engaged in keeping out wage controls, and putting in 110 percent of parity, reasonable men will conclude that Alben and Leon and Sam and John were working in pursuance of a program sanctioned and supported by the administration. [Laughter.] So much for the existing law.

So we got the misshapen measure sponsored by these distinguished statesmen. Almost at once it began to demonstrate its lopsided, ineffectual structure. For 8 months it has continued while the inflation spiral has continued. Practically all are now agreed that legislation should now be enacted to do what we should have done last January. Exactly

how much damage has been done in the past 8 months by the deficiencies of the existing law it is impossible to estimate. Certainly it is huge. But what is lost is lost. It can never be regained. The only thing we can do now is to put out the fire, call the dog, and move on to other camps. But the vital, the all important, the imperative thing is that we should not repeat the tragic mistakes we made in the act of January 1942.

The pending bill as it stands presents another whopper-jawed, lopsided, cross-eyed picture. It starts out bravely by providing for stabilization of prices, wages, and salaries on the basis of the levels which existed on September 15, 1942, but immediately that definite direction for stabilization is vitally impaired by the introduction of the weasel words "as far as practical," and then it proceeds to destroy the whole effect of the direction by the inclusion of general discretionary powers for the President, which, of course, means for the various administrators and agencies to adjust prices, wages, and salaries whenever the administrators in their discretion may deem that the formula prescribed by the Congress works "gross inequities," or whenever the administrators in their discretion think that changes are necessary to aid the effective prosecution of the war.

Here we have purely discretionary powers, and we shall have results varying in accordance with the views, tastes, and capacities of various administrators.

It is all very well to speak of granting these discretionary powers to the President of the United States. He is our undisputed leader in this great emergency. As our Commander in Chief he is entitled to and is receiving and will continue to receive the loyalty and devotion of a militant and united people. But we all know as a practical matter that the President cannot take upon himself the burdens of administering the discretion delegated in this bill involving, as it does, matters so vast and yet also matters so minute. He is the busiest man in the world. As Commander in Chief conducting a war around the world his responsibilities are greater and more diverse than those of any man in the world. Indeed, both the committee bill and my substitute make provision authorizing the President to delegate his powers under the bill to administrators or agents.

What, then, is the practical situation? We have one set of standards for prices and another set of standards for wages and salaries. We all know that in all human probability the discretion as to fixing prices will be vested in the Price Administrator, Mr. Leon Henderson, notably hostile to agriculture—and I use the term "hostile" in no invidious sense. Mr. Henderson is able, conscientious, and patriotic; a man of fixed ideas. I mean no reflection upon his character or his integrity when I say that so far as the purposes of the pending measure are concerned his attitude is one of hostility to agriculture. On the other hand, the discretion as to wages and salaries will in all probability be turned over to the War Labor Board, already committed to the

principle of wage increases, at least to the extent of 15 percent. With Mr. Henderson going in one direction as to agricultural prices, and with the War Labor Board going in the other, with Henderson pushing down and with the War Labor Board lifting up, we should have almost a certainty of more confusion and more turmoil—yes; and more dangerous dissension and inflation—than we have ever had before.

It was by reason of this prospective divided discretion that I unhesitatingly cast my vote yesterday for the Thomas amendment. If prices and wages are not to be fixed by legislative act at given levels, if they are to be left to the discretion of conflicting and contradictory agencies, then I believe that it is of the most vital importance that a specific limitation be inserted giving the farmer credit for his labor costs if a terrific shortage of agricultural commodities is to be averted—in other words, provisions similar to those of the Thomas-Hatch amendment. I was, I believe, the first Senator on this floor to call attention to the desperate situation which was likely to develop as to farm labor between the exactions of selective service on the one hand and the impossible competition of munitions factories on the other.

I voted against the Barkley-O'Mahoney-Tydings-Reed so-called compromise because I did not regard it as a compromise at all, except insofar as it would have compromised those who voted for it if it had been submitted. So far as the farmer is concerned, under the so-called compromise he would be in the same plight as the Indian who went out hunting with a white man. They hunted all day, but the only game they secured was a turkey and a buzzard. In the evening the white man said to the Indian: "Now, we ought to divide the game on some equitable basis, and I'll give you the choice. Either I'll take the turkey and you take the buzzard, or you take the buzzard and I'll take the turkey." The Indian looked way off and said, "Hell, he ain't said turkey to me yet." That is as it would have been with the farmer under the provisions of the original Barkley amendment, proposed by the majority leader, and the coterie whom I presume he represented.

Mr. President, I presume the modifications which were made here this morning—almost by unanimous consent, I am sorry to say—somewhat improved the vices of the original formula, at least to a face-saving degree, let us say. We have the result now, under the provision which has been adopted by the Senate, that the farmers will be denounced from coast to coast by the kept metropolitan newspapers and kept radio commentators as having gotten away with a steal, but in actual effect, when turned over to the tender mercies of Mr. Henderson, the farmer will get very little more than he would have gotten under the original iniquitous Barkley compromise, which was worse than nothing.

Mr. President, the substitute which I have proposed provides for stopping inflation by legislative enactment. It gets completely away from these dangerous,

complicating, divergent discretions certain to be the seat of so much bitterness and turmoil. It is so simple that every man, woman, and child in the United States can understand it. It is as certain in its effects on inflation as the law of gravity.

Its adoption would mean that the Congress of the United States had risen to its great responsibility by grappling with the monster of inflation itself rather than passing the buck to administrative agencies.

The whole gist of the substitute is contained in one sentence:

That in order to aid in the effective prosecution of the war, the President is authorized and directed on or before November 1, 1942, notwithstanding the provisions of any other act, to issue a general order stabilizing prices, wages, and salaries affecting the cost of living, and such stabilization shall be on the highest levels which existed between January 1, 1942, and September 15, 1942.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. O'MAHONEY. Let me ask the Senator what the phrase "affecting the cost of living" means.

Mr. CLARK of Missouri. The Senator will have to ask the Senator from Michigan. I copied that from the committee formula.

Mr. O'MAHONEY. I was asking the Senator.

Mr. CLARK of Missouri. The Senator has been supporting the committee formula. He should know the answer to his question. I was very dubious about quoting those words, but I wanted to conform the amendment as closely as possible to the language of the committee proposal. The Senator is one of the sponsors of the committee measure, and he should be able to explain that phrase better than I can.

Mr. O'MAHONEY. The Senator is proposing a substitute, which, I am frank to say to him, comes closer to meeting the formula which I have always urged in this body and elsewhere, than any other that has been presented.

Mr. CLARK of Missouri. I say very frankly to the Senator from Wyoming that I only included that provision because it was in the committee draft. I regard it as surplusage, because I consider that practically all prices and wages affect the cost of living for the American people, even if they are infinitesimal.

Mr. O'MAHONEY. I suggest to the Senator from Missouri that he improve his proposal by striking out that qualifying phrase.

Mr. CLARK of Missouri. If I thought I could gain the support of such an ally as the Senator from Wyoming by so doing, I should certainly do it.

Mr. O'MAHONEY. The Senator might gain my support. Will the Senator modify his amendment to that extent?

Mr. BARKLEY. Is this an exercise of collective bargaining here on the floor of the Senate? [Laughter.]

Mr. CLARK of Missouri. So far as I am concerned, I say very frankly that I regard the language as surplusage, and therefore would be glad to strike it out.

Mr. President, my proposal is a simple, understandable legislative enactment to stop inflation by freezing prices, wages, and salaries at the highest level between January 1, 1942, and September 15, 1942. It gets away from the system of competitive discretions whose effect will be to continue the dangerous spiral of inflation which we all dread so much. It will obviate the necessity for farmers to come to Washington with their hats in their hands to Mr. Henderson to ask for some counterweight to some increase in wages which has been granted by the War Labor Board in its discretion, and for laborers or salaried people to come here to do obeisance to the War Labor Board and ask for some offset to some increase in the cost of living which has been granted by Mr. Henderson in his discretion. One of the greatest boons which could be bestowed upon the American people in these troublous times would be certainty, and that is accomplished by the substitute.

I would be the last to deny that by this formula for freezing prices and wages some inequity will be done. Some inequity will be done by any formula which may be adopted, and I submit that less will be done by the formula of this substitute than by any other. If agriculture, industry, and labor are treated alike, none can justly complain. Certainly the consumer will benefit to a far greater extent than by any other formula. Inflation will be more certainly stopped in its tracks than by any system of discretionary controls.

Mr. President, it is not a pleasant task for any of us to stop rises in either prices or wages. Most of us have labored for years, in peacetime, to bring about increases in both wages and prices. But these are not normal times. Due to the war, all our economy is in the highest degree abnormal. Should we permit inflation to reach its dread potentialities, then higher wages will be of no use to the wage earner, and higher prices will be of no use to the producers. All will be sunk together, and our whole economy will be destroyed.

The substitute which I have proposed is fair to all because it treats all alike. It selects the highest prices and wages at the highest point they have reached in an extended period of several months, and then it defeats inflation by freezing them there. It relieves us from the danger that little increases on one side and little increases on the other side will destroy the equilibrium and endanger the whole system of price and wage control.

Mr. President, I think it can scarcely be denied that we have failed miserably in our first attempt to control inflation through the price control law we passed in January. The President and the Congress must share in the responsibility for that dismal failure to enact over-all control at that time. We must not fail again. I urge with every bit of earnestness in my being that we avert that catastrophe by legislating for price fixing that will stop inflation in its tracks. Most of all I urge that the Congress assert its authority, perform its duty, and maintain its dignity, by legislating, rather

than by shifting its own high responsibilities to administration agencies.

Mr. GEORGE. Mr. President, I do not intend to indulge in any extended remarks, but I wish to make a brief statement. I am very strongly inclined to vote for the substitute presented by the Senator from Missouri [Mr. CLARK] because it is a direct approach to a stubborn situation.

I am very glad to be able to vote either for the substitute offered by the Senator from Missouri [Mr. CLARK] or the joint resolution reported by the committee, which has been before the Senate for some days.

Mr. President, I think it is a very happy circumstance that the President did not follow the advice—if he received such advice—from high officials in the Government, who are said to have stated to him that he had the authority, as Commander in Chief, or under the Second War Powers Act, or under any other act, to fix prices and fix wages. The President at least was wise enough not to follow that advice. I should be unwilling to vote for any measure without making the very frank statement that, in my humble opinion, there is no possible authority and power in the President, under the American Constitution, to set aside deliberate acts of the Congress, which he himself has approved, unless the Congress itself gives him such power. I do not care to labor the point, but I am very glad the President brought the issue to the Congress, and I am very happy that he was wise enough not to follow the suggestion, if such suggestion or advice came to him from any quarter. I congratulate the majority leader on the straightforward statement he made yesterday in the debate here that he had advised against such a course.

Mr. President, when the original price control measure was before the Senate I did not speak at length on it, but I expressed doubt and serious misgiving that it would accomplish the purposes intended. I know that I, as well as other Senators on this floor, raised the question that there was in it no control of wages, nor were any effective steps taken in the enactment of the measure to stabilize wages. I said a little while ago in discussing the amendment of the Senator from California, that such inflation as we now have in this country had its genesis when unemployment began to disappear, after the outbreak of the war in Europe, with the tremendous demand upon our industries to supply war materials to European countries. It became especially marked as soon as wages began to rise. I refer to factory or industrial wages.

Mr. President, I regret to say so, but it is a fact, and nothing now can be gained by withholding a straightforward statement of fact, that no effective step was taken by this Government to check or to stabilize the rapidly rising level of industrial wages.

There were two initial causes for the inflation. It may be that rising farm prices had something to do with it—and they did have something to do with it—but they were not one of the initial

causes. One initial cause was the absorption of the unemployed, with the rapidly rising and unchecked and uncontrolled wage levels in this country. There was another cause. Without very much knowledge of what we had on hand in the way of raw and strategic materials, and without a very intelligent effort to determine what we had on hand, and what capacity we had for replacing it when it was gone, we entered upon a program of allocation of everything that was needed for war purposes.

Of course, that was unavoidable, and no one complains about it. But there should have been an allocation between essential and irreducible civilian needs and necessities, and war needs, with the emphasis always on the war needs.

So certain conditions have developed, and I regret to say that in my opinion the joint resolution will not stop inflation, because the conditions are already here; they are already in existence. The passage of the joint resolution will not change them.

Mr. President, in the first place, if I have the correct information—I do not know with certainty, but apparently it is what we may expect—one agency is going to administer price ceilings on agricultural products, and another agency is going to administer ceilings on wages. Mr. President, it will not work, and—

Faithful are the wounds of a friend—

The President of the United States ought to know from the Congress that that program will not work.

One agency may fix the ceilings on agricultural products; another agency may attempt to regulate wages; but what are the conditions? There was no allocation between civilian needs, no intelligent, well-planned, well-directed allocation, with the result that the volume of consumer goods is rapidly declining. If they go into places of business in January next and take an inventory of the goods on hand the American people will be surprised at the tremendous shrinkage they will find in the inventory on all the counters, on all the shelves, and the goods will not be available to replace them.

Assuming that the price of agricultural commodities will be frozen as of the level of today, and assuming that wages will be frozen as of the level of today, both at the same moment, what will the condition be? There is already in the hands of the people in the United States a consuming power—and I include all of us who will spend it—of at least \$19,000,000,000, and it may run as high as thirty-odd-billion dollars. It is impossible merely by freezing the cost of commodities, including agricultural products, and of now stopping increases in wages, to avoid some inflation, some very definite inflation, because those who are in charge of our war program are properly diverting more and more and more raw materials to war purposes. That is unavoidable. We might as well face the fact. So many sources of raw materials have been cut off from us, which we did not anticipate, and could not have anticipated—it was unavoidable—that fewer and fewer consumer

goods will be made. The wage levels are already so high that annually from twenty to thirty or thirty-five billion dollars of purchasing power, consumer buying power, will pass into the hands of the American people.

So this measure cannot stop inflation, because the conditions which create inflation are present. It may be that we can do something with it in the tax bill; but if we do anything in the tax bill, Mr. President, we must drive directly at the seat of the consumer buying power. It will not do any good to crucify corporations, thinking that that will stop inflation. Corporations do not spend money for consumer goods. They spend for production. Their total expenditures for consumer goods are negligible. It is the individuals in the United States—you and I—who spend money for consumer goods. Flowing into our hands already, with wages frozen as of this moment, is a possible purchasing power which will constantly press against all the ceilings which we can place on prices. With a tax bill which will reach the consumer purchasing power, and with this measure, we may be able to meet the situation. If we do not stop altogether the rising costs of living, or inflation, we may be able to check them in a degree, control them, and hold them. That would be a very happy result if it could be attained.

Mr. President, unless the Treasury is willing to reach the consumer buying power, more high and burdensome taxes on other groups and on organizations which do not purchase consumer goods will not very greatly aid us in the solution of this problem.

Of course, I shall support the measure worked out by the committee. I may vote for the substitute offered by the Senator from Missouri [Mr. CLARK], because it is a direct approach to the problem, and it seems to leave these questions outside the hands of agencies which may be working with the utmost good faith to accomplish the same end; but nevertheless they will be working in their way, and according to their own methods, and they may not always arrive at the same end. If the Senator from Missouri calls for a vote on his amendment, I shall vote for the substitute offered by him.

I shall vote for the committee measure, because I think it has a great deal of virtue in it. As I said before, it will not stop inflation. It cannot stop inflation, because it cannot eliminate the conditions which now exist. At best, coupled with other things which must be done—and must be done with a great deal of courage and without regard to personal consequences—it may serve to hold the inflationary movement in check.

Mr. President, I have no more right to speak for the American farmer than has any other Senator, and have never asserted such a right; but the American farmer has been troubled about this measure, not so much because the intelligent farmer desires to secure a further boost in his prices, except for the single purpose of enabling him to meet increasing costs which fall on him every day, but because he does not think that the

Congress means, or that the Government intends, to check and stabilize wages. I am making no attack on labor, any more than other Members of the Senate who have spoken against the proposals offered on behalf of the farmers have made attacks on farmers. We are merely dealing with facts. Increased wages are worth nothing to American labor if the rapidly rising costs of living absorb and destroy all the wages which come in and all the savings which are on hand. Labor can be destroyed in that way as quickly as in any other conceivable way. Indeed, that is the way in which we can conceive of the utter and complete destruction of labor, the farmer, and all of us, in the quickest possible time.

We might as well deal frankly with one another; and we might as well say to labor that if wages are not checked, if steps are not taken which will reach the source of the income already guaranteed under the levels reached by factory wages, inflation will not be stopped. In my opinion, such wages will not be reduced. It would be a most difficult task to bring about a reduction in wages when once wages have reached a certain level. I do not know that anyone would contemplate such an effort. I am sure that no one could think that such an effort would succeed or should succeed, so far as direct action of the Government is concerned. However, we must reach the consumer buying power in a quick step after the passage of the tax bill, which should be before the Senate next week, and add the influence of an additional tax measure and the influence of this proposal, which will be adopted if we expect to accomplish anything with the problem which now confronts us.

Mr. President, I said that the Treasury would have to go in a direction in which it has not wished to go. When all is said and done, when we have exhausted the final effort, we can reach the great consumer buying power due to tremendous increases in wages by only two taxing methods. There may be variations of them, and they may be called by various names. One is a gross income tax reaching very close to the bottom, if not to the bottom. The other is a sales tax of consequence. If the Treasury of the United States is not willing to go in one or the other of those directions, it does not matter how high we may pile the taxes upon individuals who now have savings, or on corporations, we shall not reach the vast reservoir of consumer buying power. So long as that reservoir stands at its present level there is not only the threat of inflation, but there is a constant pressure upon existing conditions which no regulations which we can impose on further rises in wages or farm prices can possibly solve.

Mr. LEE. Mr. President, will the Senator yield before he takes his seat?

Mr. GEORGE. I am glad to yield.

Mr. LEE. Does not the Senator feel that, in addition to the methods suggested by him, a compulsory purchase of war bonds, sometimes called forced savings, and sometimes called draft dollars, would relieve the pressure from the standpoint of inflation, and also help to finance the war?

Mr. GEORGE. Undoubtedly so, if it moved in the direction I have indicated, into the reservoir of individual consumer purchasing power. However, it does not move there. It will not do so. It will simply reduce the savings of people who already have them—earnings and savings and accumulations of partnerships, firms, and corporations which may be making profits at this time.

Mr. McKELLAR. Mr. President, I have not discussed the pending measure, and I do not intend to discuss it at this late hour. I desire to have a word to say about the vote which I expect to cast on the pending substitute. The President has advised us of inflation; he has emphasized our duty to stop inflation. I agree with him entirely as to its danger; and if he had not advised us of it, its danger is apparent to us all. The President has asked Congress to pass a measure to prevent inflation so far as it is possible to prevent it. It is the duty of the Congress to act, and to act effectively. In my humble judgment the substitute which has been offered by the senior Senator from Missouri [Mr. CLARK] would come nearer stopping inflation than would any bill, amendment, or substitute which has been proposed. Therefore, I believe it is my duty to vote for the Clark substitute. I shall vote for it. I believe it is the best way to stop inflation. I said more than a year ago that the Congress should fix an over-all ceiling. I repeat it now. It would have been better if we had done so a year ago.

We must stop inflation, and the best and quickest way to do it is for Congress to go at the task directly, and to stop inflation at present levels. For that reason I shall vote for the substitute of the Senator from Missouri.

Mr. CLARK of Missouri. Mr. President, I modify my substitute by, in line 5, striking out the words "affecting the cost of living."

I ask for the yeas and nays on my substitute.

The yeas and nays were ordered.

Mr. O'MAHONEY. Mr. President, in announcing my intention to vote for the substitute offered by the Senator from Missouri, I desire merely to comment that I am in entire accord with the opinion expressed by him, with that expressed just now by the Senator from Georgia [Mr. GEORGE], and with that expressed by the Senator from Tennessee [Mr. McKELLAR], that the only way to control inflation is to freeze all the elements which go into the cost of the materials that are in the economic structure.

I think the debate which has occurred has given altogether too much emphasis to the part that agriculture and agricultural commodities play in the problem.

Mr. President, the plain facts are that the cost of agricultural commodities is only a drop in the bucket. If all agricultural commodities which are expected to be grown in the United States during the year 1942 were to be sold at the highest prices established by law or reached upon the market, the entire value of all the crops would not exceed \$14,000,000,000. Government expenditures—and I say this upon the authority of the Federal Reserve Board, as published in the

Federal Reserve Bulletin—are now being made at the rate of \$6,000,000,000 a month. In other words, the total governmental expenditures for 3 months exceed by \$4,000,000,000 the value of all agricultural commodities grown or expected to be grown in the United States in 1942.

So agriculture is not and cannot be the cause of inflation. As was so well stated by the Senator from Georgia, the cause of inflation is to be found in the huge expenditures which the Government must make, and in the rising prices and costs which the Government has found itself obliged to pay.

Mr. President, I shall merely make this remark: Since it is acknowledged by every economist and every observer that the danger of inflation comes from governmental spending, the cure is immediately obvious. Within the power of the Government lies the remedy for the disease with which we are said to be afflicted. The Government, through the War Department, the Navy Department, and all the other departments which conduct spending, can write the contracts in such a manner as to hold down the expenditures. So, Mr. President, we do not have to have inflation.

In dealing with the problem of preventing inflation we have been confronted with two conflicting theories. The theory which we have followed has been the selective theory. It has been considered that it would be possible to set up a bureau and to clothe it with the power to exercise discretion, to make changes and allowances, to fix ceilings, and to increase wages and prices.

The other theory—the theory which seems to me to be the only sound one—is the one which is reflected in the substitute offered by the senior Senator from Missouri [Mr. CLARK], namely, by legislative decree to direct the President to freeze all costs.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. TAFT. I do not understand why the substitute proposed by the Senator from Missouri would freeze costs by legislative decree any more than that would be done by the original joint resolution. The substitute offered by the Senator from Missouri would freeze all costs as of a certain date, as would be done by the existing joint resolution. In addition, the substitute of the Senator from Missouri would give the President the power to change prices and wages in any way he might choose to do. The original joint resolution would do the same thing. The substitute of the Senator from Missouri would do no more in that respect than would be done by the original joint resolution, it seems to me.

Mr. O'MAHONEY. Mr. President, I did not intend to launch upon a debate at this late hour. I merely rose in order that the RECORD might show that the Members of the Senate comprehend the difference between the two theories. I disagree with the Senator from Ohio, but I do not wish to enter into a debate upon the matter at this time.

It was merely my desire to add a further comment. It seems to me that perhaps the outlook is not altogether so

dangerous as some of us have been led to believe, not so dangerous as some of us have pictured it, because the latest Federal Reserve bulletin indicates that the people of the United States are now saving money at the rate of \$17,000,000,000 a year. In other words, if the Federal Reserve Board's economists are correct, the people of the United States today are saving more money, by \$3,000,000,000, than the value of all agricultural commodities produced or to be produced in the United States this year.

Mr. BANKHEAD. Mr. President, I wish to call attention to the fact that if this amendment shall be agreed to it will remove a good many advantages which would be given to the farmers under the original Senate joint resolution. As I understand, it seals prices at the high point of commodities from January 1 to September 15. That would be all right if all the agricultural commodities had passed above parity, but the guaranty of parity is the real basis of protection to all agricultural producers, and the fact should not be ignored that probably a majority of the agricultural commodities have never reached parity. So, while I think the amendment is correct in principle, I believe it would bring about a great injustice to many agricultural producers.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BROWN. I merely call attention to the fact that if it were found necessary to increase the production of any commodity, that could not be done under the rigid restrictions provided by the amendment by any promise of an increase in price. A fundamental thing in the entire price-control law is that increases may be made in prices when it is necessary for the effective prosecution of the war to increase prices. No country that has ever tried price control has attempted to freeze solidly every price, every wage, every salary that exists without provision for adjustments. I say to the Senate that it would be most unfortunate at this late hour to consider seriously an over-all freeze which has had no review by any committee whatsoever, which I think is brought in merely to criticize the measure on which our committee has worked for months and on which the Senate has worked for about 10 days, which will wipe out every protection to the farmer and every protection to the worker. This should not be done.

Mr. CLARK of Missouri. Mr. President, will the Senator from Alabama yield to me to reply to what the Senator from Michigan has said?

Mr. BANKHEAD. I yield.

Mr. CLARK of Missouri. The Senator from Michigan states that this amendment was brought in at the last minute. I offered the substitute early last week. I had it printed, and printed in the RECORD. I have discussed it with everyone I had a chance to speak to about it. The Senator from Michigan, when he undertakes to say that it is brought in for the purpose of criticizing him or criticizing his committee, is

simply misstating the facts, because I have no such purpose.

Mr. BROWN. The Senator criticized me, and my effort toward bringing about price control.

Mr. CLARK of Missouri. I think the measure proposed by the Senator from Michigan does not reach the objective of stopping inflation.

Mr. BROWN. The Senator says the price-control law has done nothing. The fact is that the price-control law which was enacted last January has saved the American people billions of dollars. The fact is that the price-control law which we enacted has kept the cost of living just as low, in this great country of 140,000,000 people, as the Canadian price-control law, which is held up to the skies as a perfect law, has kept it for the little Canadian nation of twelve to fourteen million people.

Mr. CLARK of Missouri. The Senator should debate that with the President. That is the whole occasion for this debate.

Mr. BANKHEAD. Mr. President, I should like to proceed and finish my statement; I have only a few more words to say.

I wish to point out that wheat, corn, oats, barley, rye, and all the grains are below parity, and have been below parity from the beginning, and the substitute would prevent them from ever reaching parity. That does not apply to cotton, but it does apply to all the grains and to a number of other commodities.

Mr. LEE. It would also freeze farm wages, which are now so low that if a farmer wanted to offer more wages in order to produce more wheat, he could not do it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. CLARK] in the nature of a substitute. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. WAGNER (after having voted in the negative). I have a general pair with the junior Senator from Kansas [Mr. REED]. Not knowing how he would vote, I transfer that pair to the senior Senator from West Virginia [Mr. KILGORE], and allow my vote to stand.

Mr. THOMAS of Utah (after having voted in the negative). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Missouri [Mr. TRUMAN], and allow my vote to stand.

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW] and the Senator from North Carolina [Mr. BAILEY] are necessarily absent.

The Senator from Pennsylvania [Mr. GUFFEY], the Senator from Iowa [Mr. HERRING], the Senator from Missouri [Mr. TRUMAN], and the Senator from Maryland [Mr. TYDINGS] are absent on important business.

The Senator from West Virginia [Mr. KILGORE] is absent on official business in

connection with the Committee to Investigate National Defense.

The Senator from Oklahoma [Mr. THOMAS] has been unexpectedly called from the Senate Chamber on official business.

Mr. McNARY. The Senator from Vermont [Mr. AUSTIN] and the Senators from New Hampshire [Mr. BRIDGES] and Mr. TOBEY are necessarily absent. The Senator from Maine [Mr. BREWSTER] is absent on business of the Senate in connection with the work of the Truman committee.

The result was announced—yeas 15, nays 65, as follows:

YEAS—15

Byrd	Johnson, Colo.	Smith
Chavez	McKellar	Spencer
Clark, Mo.	O'Mahoney	Stewart
Connally	Russell	Vandenberg
George	Smathers	White

NAYS—65

Alken	Gerry	Norris
Andrews	Gillette	Nye
Ball	Green	O'Daniel
Bankhead	Gurney	Overton
Barbour	Hatch	Pepper
Barkley	Hayden	Radcliffe
Bilbo	Hill	Reynolds
Bone	Holman	Rosier
Brooks	La Follette	Schwartz
Brown	Langer	Shipstead
Bunker	Lee	Taft
Burton	Lodge	Thomas, Idaho
Butler	Lucas	Thomas, Utah
Capper	Maloney	Tunnell
Caraway	Maybank	Van Nuys
Chandler	McCarran	Wagner
Clark, Idaho	McFarland	Wallgren
Danaher	McNary	Walsh
Davis	Mead	Wheeler
Downey	Millikin	Wiley
Doxey	Murdoch	Willis
Ellender	Murray	

NOT VOTING—16

Austin	Guffey	Thomas, Okla.
Bailey	Herring	Tobey
Brewster	Hughes	Truman
Bridges	Johnson, Calif.	Tydings
Bulow	Kilgore	
Glass	Reed	

So the amendment of Mr. CLARK of Missouri, in the nature of a substitute, was rejected.

Mr. BROWN. Mr. President, I submit a perfecting amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out the words "joint resolution" wherever they appear in the joint resolution, and to insert in lieu thereof the word "act."

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Michigan.

The amendment was agreed to.

Mr. DANAHY. Mr. President, I call up an amendment in the nature of a substitute for the pending joint resolution, or as it now is amended, the pending "act." The amendment is on the table, and I ask that it be stated.

The VICE PRESIDENT. The amendment in the nature of a substitute offered by the Senator from Connecticut will be stated.

The CHIEF CLERK. It is proposed to strike out all after the resolving clause and to insert in lieu thereof the following:

That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1,

1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this joint resolution, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities, and to the extent that he finds necessary to aid in the effective prosecution of the war.

SEC. 2. Section 2 (f) and section 3 of the Emergency Price Control Act of 1942 are hereby repealed.

SEC. 3. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this joint resolution; and may exercise any power or authority conferred upon him by this joint resolution through such department, agency, or officer as he shall direct. The President may not under the authority of this joint resolution suspend any law or part thereof.

SEC. 4. (a) Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out "June 30, 1943" and substituting "June 30, 1944."

"(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such act shall, insofar as they are not inconsistent with the provisions of this joint resolution, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this joint resolution.

(c) Nothing in this joint resolution shall be construed to invalidate any provision of the Emergency Price Control Act of 1942, or to invalidate any regulation, price schedule, or order issued or effective under such act.

SEC. 5. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this joint resolution. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

(b) Any person who willfully violates any regulation promulgated by the President under this joint resolution relating to wages or salaries, shall, upon conviction thereof, be fined not more than \$1,000.

SEC. 6. The provisions of this joint resolution and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution and all regulations thereunder shall prescribe.

Mr. DANAHER. Mr. President, I have in mind to take but a very few minutes of the time of the Senate, for I have argued substantially all the matter in what I sought to lay before my colleagues yesterday. It will have become apparent, however, to all those who are indulgent enough to attend upon the facts, that under the parliamentary situation the proposed substitute could not possibly have been offered, until this minute.

It seems, Mr. President, that it is pertinent to point out for the convenience of Senators, that section 1 of the pending proposed substitute is identically stated word for word in the language of Senate Joint Resolution 161, as now amended in this body.

Section 3 of the proposed substitute is identically coincident with section 2 of the joint resolution before the Senate.

Section 4 of the proposed substitute is identical with section 7 of the joint resolution, and is necessary in order to integrate this particular proposed substitute with the Emergency Price Control Act. That is the purpose which section 7 serves in the joint resolution.

Section 5 of the proposed substitute provides that—

No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this joint resolution. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

Mr. President, it should be particularly noted that in that section the President is given implicit and explicit power over wages. It has been stated here loosely that the pending joint resolution before us has given no such power. An automatic wage control is implicit in the very price fixing inherent in establishing a maximum over any commodity, because no employer and no manufacturer can find it possible to pay a greater rate of pay than is permitted under the economy under which he acts.

In addition, Mr. President, in subsection (b) of section 5 of the proposed substitute a penalty is provided for anyone who violates regulations issued by the President under subsection (a) of section 5.

Furthermore there is the very potent deterrent to a violation of section 5 to be found in the fact that if the President orders that some element of cost shall be disallowed for tax purposes, no employer, no manufacturer, no producer dare violate the section with impunity.

So, Mr. President, there is a very real and a very vivid imposition of wage control in section 5 of the pending substitute. But it is identically the same language which is to be found in section 5 of Senate Joint Resolution 161.

Section 6 of the proposed substitute, Mr. President, provides for a termination date and also for action by the Congress, through concurrent resolution, or by the President, through proclamation, to terminate the effective operations of the powers conferred. So that when in section 1 we confer the powers on the one hand, in section 6 we provide a basis upon which they may be returned to the Congress.

All of that, Mr. President, let me say, is in accord with the message of the President. It is in accord with the address which he delivered to the people over the radio on the night of September 7. Above all, Mr. President, the proposed substitute in section 2 would execute identically the purpose and objective which the President sought when he told us that the obstacle to an effective price-control lay in section 3 of the Emergency Price Control Act.

I have left until the last minute or two my reference to section 2 of the proposed

substitute, for it seemed to me proper that I should invite the attention of the Senate to the fact that in this particular section is to be found the heart of the reason and the basis for offering the proposed substitute. Not only would it be possible to guarantee labor costs to farmers and to producers of any commodity of which there may be a shortage, and of which expanded production is called for, but it could be done through the medium of placing a floor under the price of the commodity. That is what is important. The cost could be assured to the producer. Moreover, it could be guaranteed a year in advance through the legislative authorization contained in section 2 of the Emergency Price Control Act.

Mr. BARKLEY and Mr. OVERTON addressed the Chair.

Mr. DANAHER. I yield first to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, during the consideration of the substitute offered by the Senator from Missouri [Mr. CLARK], the Senator from Alabama [Mr. BANKHEAD] pointed out that under that substitute all the efforts we have been making to protect producers by setting minimums below which a maximum could not be fixed would come to naught. I ask the Senator if his amendment does not have the same vice, in that it does not provide any protection in the way of safeguards—I would not call them guaranties—against lowering the prices of agricultural products not only below the figures set in the Emergency Price Control Act, but in the amending act which we have been considering for the past 10 days?

Mr. DANAHER. May I answer the Senator in more than one sentence?

Mr. BARKLEY. Certainly.

Mr. DANAHER. I wish to take note of the absence of the junior Senator from Michigan [Mr. BROWN] who, as we know, will presently return. I may add, for the benefit of my colleagues who did not realize the fact of his absence, that one of the reasons for a more elaborate explanation than I had expected to make was that the time might thus be occupied during the necessary absence of the Senator from Michigan.

Mr. BARKLEY. I appreciate, and I am sure the Senator from Michigan appreciates, the Senator's willingness to speak longer than he intended to speak, or longer than he usually speaks, in order that he might protect the Senator from Michigan.

Mr. DANAHER. The Senator will realize what an effort it is at this hour.

Mr. BARKLEY. The Senator from Michigan is necessarily absent; but I suggest to the Senator from Connecticut that that courtesy does not require him to speak beyond 6:45 o'clock, if my memory serves me correctly.

Mr. DANAHER. Let me answer the Senator from Kentucky by saying, in the first place, that I disavow his use of the word "vice" as pertaining to anything which has been suggested in the proposed substitute. There is no vice in it.

Mr. BARKLEY. The Senator will realize that I am not speaking of vice in the ordinary meaning of that word. I

might use an expression used by Chief Justice Hughes when he decided the "sick chicken" case. He used the expression "fatal infirmity," which expression has impressed itself very much upon me. I will change the word "vice" to "fatal infirmity." However, that is just as bad as "vice," so far as the Senator's substitute is concerned.

Mr. DANAHER. Let me dispel from the mind of the Senator the alleged presence of either vice or fatal infirmity. Let me point out to him that under the terms of section 1 of the very measure upon which we are about to vote, which is identically the same language which is in section 1 of the proposed substitute, it would be the duty of the President to achieve stabilization on the basis of the levels existing on September 15, 1942. That is a partial answer.

Further, Mr. President, by the removal of section 3 of the Emergency Price Control Act we should be removing what the President said was the obstacle to effective price control.

I now yield to the Senator from Louisiana.

Mr. OVERTON. Mr. President, I am somewhat surprised that the substitute offered by the very able Senator from Connecticut does not contain the amendment which I offered the other day, and which was adopted by unanimous consent. That amendment provided that—

Nothing in this joint resolution shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of \$5,000 or more per annum.

I proceeded with the presentation of that amendment to the point only of pointing out the very large salaries paid throughout the United States, many of which are as high as \$75,000 or more. I did not have occasion to talk about salaries being paid by small business to its managers, and about other overhead expenses. However, many small retail businesses must reduce their overhead expenses. If they must go to the President each time to obtain reduction of a salary in excess of \$5,000, it will militate against the very purposes of the joint resolution. I was hopeful that the Senator, with his usual acumen, would incorporate into his substitute the provision which has been unanimously adopted by the Senate, and which I have just read to the Senate.

Mr. DANAHER. Mr. President, it seems to me that the importunity of the Senator from Louisiana is such that no one could refuse him. I most certainly could not. I shall be happy to modify the proposed substitute in the particular mentioned.

Let me point out that my colleague the Senator from Michigan [Mr. BROWN] has now returned to the chamber. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Missouri [Mr. TRUMAN] and will vote. I vote "nay."

Mr. WAGNER (when his name was called). I have a general pair with the Senator from Kansas [Mr. REED]. I transfer that pair to the Senator from West Virginia [Mr. KILGORE] and will vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW] and the Senator from North Carolina [Mr. BAILEY] are necessarily absent.

The Senator from Pennsylvania [Mr. GUFFEY] the Senator from Missouri [Mr. TRUMAN], and the Senator from Maryland [Mr. TYDINGS] are absent on important public business.

The Senator from West Virginia [Mr. KILGORE] is absent on official business in connection with the Committee to Investigate National Defense.

The result was announced—yeas 14, nays 67, as follows:

YEAS—14

Ball	Maloney	Vandenberg
Butler	Nye	White
Clark, Mo.	Shipstead	Wiley
Danaher	Taft	Willis
Lodge	Thomas, Idaho	

NAYS—67

Aiken	Gerry	Norris
Andrews	Gillette	O'Daniel
Bankhead	Green	O'Mahoney
Barbour	Gurney	Overton
Barkley	Hatch	Pepper
Bilbo	Hayden	Radcliffe
Bone	Herring	Reynolds
Brooks	Hill	Rosier
Brown	Holman	Russell
Bunker	Johnson, Colo.	Schwartz
Burton	La Follette	Smathers
Byrd	Langer	Smith
Capper	Lee	Spencer
Caraway	Lucas	Stewart
Chandler	McCarran	Thomas, Okla.
Chavez	McFarland	Thomas, Utah
Clark, Idaho	McKellar	Tunnell
Connally	McNary	Van Nuys
Davis	Maybank	Wagner
Downey	Mead	Wallgren
Doxey	Millikin	Walsh
Ellender	Murdock	
George	Murray	

NOT VOTING—15

Austin	Glass	Reed
Bailey	Guffey	Tobey
Brewster	Hughes	Truman
Bridges	Johnson, Calif.	Tydings
Bulow	Kilgore	Wheeler

So Mr. DANAHER's amendment in the nature of a substitute was rejected.

Mr. TAFT. Mr. President, I had intended to answer the claim put forward several days ago by the Senator from Michigan that under the Second War Powers Act the President had the power to fix prices. I merely want to put on record during the debate my entire disagreement with the conclusion which the Senator from Michigan stated. I was very pleased to observe that apparently neither the Senator from Michigan nor the Senator from Kentucky, in discussing the powers of the President, undertook to defend the claim that the President has any constitutional power to fix prices; but, as I have stated, I desired to put on record my disagreement with the statement that, outside of the Price Control Act, the President has any statutory powers to fix prices, or that outside of the measure which we are about to pass

he will have any power to fix wages. I give notice also that I intend to discuss the subject somewhat further during the next few days, before the pending measure finally becomes law.

Mr. BROWN. Mr. President, I move that the Senate proceed to consider House bill 7565, a measure similar to Senate Joint Resolution 161.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 7565) to amend the Emergency Price Control Act of 1942 to aid in preventing inflation, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Michigan that the Senate proceed to consider House bill 7565.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. BROWN. I offer the following amendment, to strike out all after the enacting clause and to insert the text of Senate Joint Resolution 161, as amended.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment was agreed to.

The VICE PRESIDENT. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question now is, Shall the bill pass?

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. Since he would vote as I intend to vote, I am entitled to vote. I vote "yea."

The roll call was concluded.

Mr. WAGNER (after having voted in the affirmative). I have a pair with the junior Senator from Kansas [Mr. REED]. I understand that, if present, he would vote as I have voted; so I allow my vote to stand.

Mr. BROWN. Mr. President, the senior Senator from North Carolina [Mr. BAILEY] is unavoidably absent. He desires that I announce that, if present, he would vote "yea."

Mr. RADCLIFFE. My colleague the senior Senator from Maryland [Mr. TYDINGS] is unavoidably absent. If present, he would vote "yea."

Mr. HILL. Mr. President, I announce that the senior Senator from Delaware [Mr. HUGHES] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The junior Senator from Pennsylvania [Mr. GUFFEY] and the junior Senator from Missouri [Mr. TRUMAN] are absent on public business.

The senior Senator from West Virginia [Mr. KILGORE] is absent on official business as a member of the Special Committee to Investigate the National Defense Program.

I am advised that if present and voting all the Senators mentioned would vote "yea."

The senior Senator from South Dakota [Mr. BULOW] is necessarily absent.

Mr. McNARY. The senior Senator from Vermont [Mr. AUSTIN], the senior Senator from New Hampshire [Mr. BRIDGES], and the junior Senator from New Hampshire [Mr. TOBEY], are necessarily absent. The junior Senator from Maine [Mr. BREWSTER] is absent on business of the Senate in connection with the work of the Truman committee. If present, all the Senators referred to would vote "yea."

The result was announced—yeas 82, nays 0, as follows:

YEAS—82

Alken	Gillette	Overton
Andrews	Green	Pepper
Ball	Gurney	Radcliffe
Bankhead	Hatch	Reynolds
Barbour	Hayden	Rosier
Barkley	Herring	Russell
Bilbo	Hill	Schwartz
Bone	Holman	Shipstead
Brooks	Johnson, Colo.	Smithers
Brown	La Follette	Smith
Bunker	Langer	Spencer
Burton	Lee	Stewart
Butler	Lodge	Taft
Byrd	Lucas	Thomas, Idaho
Capper	Maloney	Thomas, Okla.
Caraway	Maybank	Thomas, Utah
Chandler	McCarran	Tunnell
Chavez	McFarland	Vandenberg
Clark, Idaho	McKellar	Van Nuys
Clark, Mo.	McNary	Wagner
Connally	Mead	Wallgren
Danaher	Millikin	Walsh
Davis	Murdoch	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	
Gerry	O'Mahoney	

NOT VOTING—14

Austin	Glass	Reed
Bailey	Guffey	Tobey
Brewster	Hughes	Truman
Bridges	Johnson, Calif.	Tydings
Bulow	Kilgore	

So House bill 7565, as amended, was passed as follows:

Be it enacted, etc., That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this act, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities, and to the extent that he finds necessary to aid in the effective prosecution of the war: *Provided*, That rates charged by any common carrier or other public utility on September 15, 1942, shall not be increased without the consent of the President: *Provided further*, That nothing in this section shall be construed as affecting the power or authority of any Federal, State, or municipal authority or agency to reduce prices, rates, or charges subject to its jurisdiction, or to equalize the rates and charges of common carriers.

SEC. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this act; and may exercise any power or authority conferred upon him by this act through such department, agency, or officer as he shall direct. The President may suspend the provisions of sections 3 (a) and 3 (c) and clauses (1) and (2) of

section 302 (c) of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this act, but he may not under the authority of this act suspend any other law or part thereof.

SEC. 3. No maximum price shall be established or maintained for any agricultural commodity under authority of this act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner), or

(2) The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use;

and no maximum price shall be established or maintained under authority of this act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section: *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities: *Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: *And provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *And provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section.

SEC. 4. No action shall be taken under authority of this act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act, or (2) for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942: *Provided*, That the President may, without regard to the limitation

contained in clause (2), adjust wages or salaries to the extent that he finds necessary to correct gross inequities.

SEC. 5. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this act. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

(b) Nothing in this act shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of \$5,000 or more per annum.

(c) The President shall have power by regulation to limit or prohibit the payment of double time except when, because of emergency conditions, an employee is required to work for 7 consecutive days in any regularly scheduled workweek.

(d) Any person who willfully violates any regulation promulgated by the President under this act relating to wages or salaries, shall, upon conviction thereof, be fined not more than \$1,000.

SEC. 6. The provisions of this joint resolution (except secs. 8 and 9), and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

SEC. 7. (a) Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out "June 30, 1943" and substituting "June 30, 1944."

(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such act shall, insofar as they are not inconsistent with the provisions of this act, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this act.

(c) Nothing in this act shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 (except to the extent that this act is inconsistent with secs. 3 (a) and 3 (c) of such act), or to invalidate any regulation, price schedule, or order issued or effective under such act.

SEC. 8 (a) The Commodity Credit Corporation is authorized and directed to make available upon any crop of the commodities cotton, corn, wheat, rice, tobacco, and peanuts for the year 1942 or any subsequent calendar year which begins during the continuance of the present war, if producers have not disapproved marketing quotas for such commodity for the marketing year beginning in the calendar year in which such crop is harvested, loans as follows:

(1) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 90 percent of the parity price for the commodity as of the beginning of the marketing year;

(2) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 percent of the rate specified in (1) above;

(3) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 percent of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

(b) All provisions of law applicable with respect to loans under the Agricultural Adjustment Act of 1938, as amended, shall, insofar as they are not inconsistent with the provisions of this section, be applicable with respect to loans made under this section.

Sec. 9. (a) Section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes," approved July 1, 1941 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a-8), is amended—

(1) By inserting after the words "so as to support" a comma and the following: "during the continuance of the present war."

(2) By striking out "85 percent" and inserting in lieu thereof "90 percent."

(3) By inserting after the word "tobacco" a comma and the word "peanuts."

(b) The amendments made by this section shall, irrespective of whether or not there is any further public announcement under such section 4 (a), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such section 4 (a).

SEC. 10. When used in this act, the terms "wages" and "salaries" shall include additional compensation, on an annual or other basis, paid to employees by their employers for personal services (excluding insurance and pension benefits in a reasonable amount to be determined by the President); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees.

The title was amended so as to read: "An act to aid in stabilizing the cost of living."

The VICE PRESIDENT. Without objection, Senate Joint Resolution 161 will be indefinitely postponed.

Mr. BROWN. Mr. President, I move that the Senate insist on its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. WAGNER, Mr. BARKLEY, Mr. BANKHEAD, Mr. BROWN, Mr. MALONEY, Mr. DANAHY, and Mr. TAFT conferees on the part of the Senate.

Mr. BARKLEY. Mr. President, I ask that there be a print showing the bill as passed by the House and the bill as passed by the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

OVERTIME PAY

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Senate proceed to consider Calendar No. 1677, House Joint Resolution 346, a joint resolution reported from the Committee on Military Affairs extending for 2 months the period for which overtime rates of compensation may be paid under the acts of June 28, 1942, and other laws. The Senator from Utah [Mr. THOMAS] is in charge of the joint resolution.

Mr. THOMAS of Utah. Mr. President, this joint resolution should be passed today, or the provision for overtime would come to an end tonight. Congress is now working on an over-all bill to take care of overtime and pay for all employees, but it is necessary that this measure be acted on tonight in order that there may not be confusion in the pay rolls, and that until the over-all measure becomes a law, the present law may remain in effect.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H. J. Res. 346) extending for 2 months the period for which overtime rates of compensation may be paid under the acts of June 28, 1940 (54 Stat. 676), October 21, 1940 (54 Stat. 1205), and June 3, 1941 (55 Stat. 241), was considered, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Several postmasters.

By Mr. REYNOLDS, from the Committee on Military Affairs:

Sundry officers of the Army for appointment as officers in the Regular Army under the provisions of law.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

ARMY SPECIALIST CORPS

The legislative clerk read the nomination of John Edward Blann to be chief liaison officer.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John Edgar Upp to be principal administrative officer.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the postmaster nominations be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc. That completes the calendar.

Mr. BARKLEY. I ask that the President be immediately notified of all confirmations this day confirmed.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

ADJOURNMENT

Mr. BARKLEY. Mr. President, I intend to move that the Senate adjourn until tomorrow. It is necessary for the Senate to meet tomorrow, because we have to wait for the House to give consideration to the bill just passed. It is my purpose to ask tomorrow that the Senate consider measures on the calendar to which there is no objection, beginning at the point where we left off at the last call. I make this statement so that Senators may be advised.

I now move that the Senate adjourn.

The motion was agreed to; and (at 7 o'clock and 7 minutes p. m.) the Senate adjourned until tomorrow, Thursday, October 1, 1942, at 12 o'clock noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 30 (legislative day of September 21), 1942:

ARMY SPECIALIST CORP.

APPOINTMENTS

John Edward Blann to be chief liaison officer, headquarters, at a salary of \$6,500 per annum.

John Edgar Upp to be principal administrative officer, headquarters, at a salary of \$5,600 per annum.

POSTMASTERS

MONTANA

Robert Midtlyng, Deer Lodge.

Henry C. Wilcox, Joliet.

Marle D. Laramy, Malta.

Peter J. Herbst, Plevna.

Estrid H. Knauts, Richey.

OHIO

Mary E. Bakle, Antwerp.

Roy H. Kerns, Bellefontaine.

Enoch W. Carman, Belmont.

Charles F. Hildebolt, Eaton.

Rolland R. Pettay, Freeport.

Clelland R. Polen, Lewisville.

Harry W. Gordon, McConnellsville.

Thomas H. Rice, New Vienna.

Lewis T. Williams, New Waterford.

Paul A. Elick, Payne.

William I. Dague, Wadsworth.

Sara J. Bell, Waterford.

HOUSE OF REPRESENTATIVES

WEDNESDAY, SEPTEMBER 30, 1942

The House met at 12 o'clock noon. The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God of the ages, our Father in heaven, grant that our gladness may be born of the conviction that Thou are near. Let some new strength be ours, to walk in patience in the ways of truth and wisdom, building on resolution and not on regret, letting in the light and dissipating the darkness. We pray that we may glow with moral fervor as under the ministry of Thy spirit we are exalted by the life-giving breezes which come from the shoreless seas of another world—the heaven of an all-wise Creator.

"When my father and my mother forsake me, then the Lord will take me up." We praise Thee for this assurance, which is more than deliverance or resignation; something higher, sweeter; it is a fellowship with our Father and to this trust Thou dost invite us with the promise of rest to all bewildered and confused hearts. Enable us to draw nearer Thee that we may have a fresh meaning and power for the vicissitudes of life.

Set our feet on lofty places,

Gird our lives that they may be Armored with all Christ-like graces

In the fight to make men free;
Grant us wisdom, grant us courage
That we fail not man nor Thee.

We pray in the holy name of Jesus and for His sake. Amen.

The Journal of the proceedings of yesterday was read and approved.